Best Western International

RULES and REGULATIONS







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Chapter I

100.0 General Provisions

- The rights and obligations of Members are contained in the laws of the State of Arizona and Best Western's Articles of Incorporation, Bylaws, Rules and Regulations, New Construction Guidelines, Renovation & Refurbishing Guidelines, Membership Application and Agreement, annual Membership Certification Agreement, and the orders or directives of the Board of Directors (the "Board"). Such rights and obligations shall be governed by and subject to such modifications to and amendments of the foregoing as may be duly effected from time to time by the Arizona Legislature, the Membership of the Corporation or the Board as the case may be.
- **100.2** The Articles of Incorporation may be amended or repealed only by the Members in accordance with Section 10-1034, Arizona Revised Statutes.
- **100.3** The Bylaws may be adopted, amended or repealed only by the Members in accordance with Article VIII of the Bylaws.
- 100.4 The Rules and Regulations, New Construction Guidelines and Renovation & Refurbishing Guidelines may be adopted, amended or repealed, and the orders or directives of the Board may be adopted, amended, repealed or rescinded only by the Board in accordance with the Bylaws.
- The Rules and Regulations, New Construction Guidelines, Renovation & Refurbishing Guidelines, and orders or directives of the Board may supplement the laws of the State of Arizona, the Articles of Incorporation and the Bylaws, which are the primary repository of the rights and obligations of the Members. Any inconsistency between the provisions of the Rules and Regulations, New Construction Guidelines, Renovation & Refurbishing Guidelines, and orders or directives of the Board and the provisions of the laws of the State of Arizona, the Articles of Incorporation or the Bylaws is controlled by the laws, Articles or Bylaws, in that order.
- 100.6 The secretary of the Corporation shall maintain in current form the Articles of Incorporation, the Bylaws, the Rules and Regulations, the New Construction Guidelines, the Renovation & Refurbishing Guidelines, and orders or directives of the Board. These shall be made available for inspection by any Member at the principal office of the Corporation during business hours.
- 100.7 Current Articles of Incorporation, Bylaws, Rules and Regulations, New Construction Guidelines, Renovation & Refurbishing Guidelines, and any order or directive of the Board shall be made available for inspection by any Member at all regular and special meetings of the Members.
- 100.8 Each Member shall be given a copy of the then current Articles of Incorporation, Bylaws, Rules and Regulations, New Construction Guidelines and Renovation & Refurbishing Guidelines at or before the time the Membership commences. Thereafter, any modifications, revisions and amendments to any of the foregoing will be made available to Members as soon after adoption as is reasonably practicable.

- 100.9 Terms used in these Rules and Regulations that are defined in the Bylaws shall have the same definitions here, unless the context indicates otherwise.
- 100.10 Except as otherwise required by law, the Articles of Incorporation or the Bylaws, the provisions of this chapter are directive, not mandatory.

 Non-compliance with any provision in this chapter shall not confer any right upon, waive any obligation of, or entitle to any relief, any Member without a showing that the Member would otherwise be substantially prejudiced.
- 100.11 Except as provided otherwise in the Bylaws and Rules and Regulations, Membership in Best Western International, Inc. ("Best Western") is personal and nontransferable. Only a natural person can hold a Membership. The approval or disapproval of an application for Membership rests wholly within the discretion of the Board.

Chapter II

200.0 Regional Governors

- 200.1 A. Each Director shall annually appoint regional Governors to act as liaisons between the Board and the Membership within the geographic regions covered by the respective appointments. These appointments shall be ratified by the full Board.
 - B. The number, responsibilities and accountabilities of the regional Governors shall be determined at the time of appointment and may be altered or rescinded by the Board.
 - C. The appointment of a regional Governor may be rescinded and vacancies may be filled by the Director at any time and ratified by the full Board.
 - D. The Board may waive any of the criteria of rules 200.2 and 200.3 when there are extenuating circumstances.
- **200.2** In order for an individual to be appointed as a Best Western Governor, the individual shall:
 - A. Be a Voting Member or owner;
 - B. Have a minimum of three years hotel/motel industry experience;
 - C. Have a minimum of two years Best Western experience;
 - D. Be a participating member in industry related associations available in his/her area;
 - E. Have attended his/her respective Best Western District Meeting or the Annual Convention each year for the past two years;
 - F. Comply with the following items at all Best Western Properties where the Governor is a Voting Member or owner:
 - 1. Attainment of a Quality Assurance score at or above the previous year's North American average, averaged over the past three most recent inspections.
 - 2. Have a customer service complaint ratio below the previous year's North American average.
 - 3. Have a current Best Western account.
 - 4. Be current on Design standards.
 - G. A CHA designation is highly recommended.

- **200.3** After appointment as a Best Western Governor, the Governor shall meet the following criteria:
 - A. Continue to be a Voting Member or owner;
 - B. Continue to be a participating member in industry related associations available in his/her area:
 - C. Communicate with each Member within their respective region no less than one time annually:
 - 1. Review management of the Property for the purpose of advising and recommending areas needing improvement.
 - 2. Review with management any issues of concern. The goal should be to enhance consistency among Properties in the application of quality control, customer services, design and brand identity policies.
 - 3. Serve as a resource to the Member on Best Western matters.
 - 4. File a report on the consultation with the District Manager within 30 days. Discuss serious concerns with the District Manager as soon as possible.
 - D. Upon request by his/her Director, assist with issues affecting the Association or represented region:
 - 1. Communicate with his/her Director on any issues concerning Members in the District.
 - 2. Communicate any violations of Membership requirements to the staff or Director occurring within the district.
 - 3. Communicate any concerns Members have about Best Western as it may relate to governance issues, Bylaws changes or Rules and Regulations.
 - E. Attend and actively participate in the following meetings:
 - 1. Attend the Governors' Conference each year and, if a newly appointed Governor, attend the new Governor Orientation session at the Governors' Conference.
 - 2. Attend either his/her respective District Meeting or the Annual Convention each year. Attendance at both meetings is strongly encouraged.
 - 3. Attend, when possible, a Best Western training workshop annually.
 - F. Upon request by his/her Director or the Board, serve in a leadership role for the organization:
 - 1. Provide advisory assistance to the Board on strategy, governance and Member matters.
 - 2. Serve on one Member Advisory Committee upon request.
 - 3. Assume other leadership assignments when called upon by the Director.
 - G. Upon request from Membership Development or the Director, visit a proposed Applicant's Property or site, if new construction.

- 1. File a written report with Membership Development upon completion of the visit within the required time frame as outlined by the Development Department.
- 2. Objectively evaluate the proposed Member, keeping in mind the value of the proposed Member Property to the Association.
- H. Comply with the following items at all Best Western Properties where the Governor is a Voting Member or owner:
 - 1. Maintain a Quality Assurance score at or above the previous year's North American average, averaged over the past three most recent inspections.
 - 2. Maintain a customer service complaint ratio below the previous year's North American average.
 - 3. Maintain a current Best Western account.
 - 4. Continuously operate their Property/ Properties in a manner to ensure that grounds for cancellation of Membership/contingent approval do not exist.
- I. Follow Best Western's ethics policies.
- **200.4** Regional Governors shall serve without pay but may receive reimbursement for expenses as determined by the Board:
 - A. Mileage reimbursement is in accordance with Best Western policy. One night's lodging will be reimbursed if travel exceeds 200 miles one way. Airfare and rental car reimbursement authorized with advance Director approval.
 - B. One complimentary registration for the Governor to attend his/her regional District Meeting.
 - C. Governors will be reimbursed for travel expenses to attend the Governors' Conference including airfare, lodging and meals. Rental cars are not included.
 - D. Travel to District Meetings and Annual Convention is at Governor's own expense.
 - E. All reimbursable expenses incurred during the course of the year are to be submitted to the Finance Department within sixty (60) days of the date of the expense. All reimbursable expenses must be submitted no later than forty-five (45) days following the end of the fiscal year in which incurred. Expenses not turned in within these time frames will not be reimbursed.
 - F. Governors may request payment of a \$250 fee for visiting an Applicant's Property or new construction site to evaluate the application when Best Western requests the visit. Best Western will establish conditions for payment, such as physically visiting the location, and completing and submitting reports by the time required by Best Western. The Board may revise the conditions for payment and/or fee from time to time, in its sole discretion. This is the only fee or pay authorized under this Rule 200.4.

Chapter III

300.0 Signs and Advertising

- 300.1 The Best Western logo shall be incorporated into all signage including outdoor billboards and displays which include the Property name. The Best Western logo shall represent at least 30 percent of the total sign square footage and be displayed above or to the left of the Property name. Display of credit card panels is prohibited. Budget, dated, cluttered and disjointed signage is not permitted as may be determined by Brand Identity Administration of Best Western. The Member or Applicant shall have the right to appeal to the Board regarding compliance with this Rule. The decision of the Board shall be final.
- 300.2 Each Member shall display on the Property premises an approved Best Western Property name sign of no less than 50 square feet. This sign shall be the current approved sign series as outlined in the Brand Identity Manual, Sign Program Brochure and Guidelines for Best Western signs. The foregoing manual, brochure and guidelines may be amended by the Board.
- 300.3 Placement, size and type of all Best Western signage shall be approved by Brand Identity Administration of Best Western. All Property signage shall comply with the current Rules and Regulations, Brand Identity Manual, Guidelines for Best Western Signs, Sign Program Brochure and Best Western Brand Identity Exterior Sign Program Design Intent Drawings. The foregoing manual, guidelines, brochure and drawings may be amended by the Board. Retrofitted sign cabinets may be permitted for a maximum of five years from the date of approval by Brand Identity Administration of Best Western. Non-conforming, unusually shaped cabinets are subject to approval by Brand Identity Administration of Best Western. The approval shall be based upon whether the cabinet coordinates with the Property's architectural design and adheres to Best Western's Brand Identity typestyle, logo colors and qualified size requirements. The Member or Applicant shall have the right to appeal to the Board regarding compliance with this Rule. The decision of the Board shall be final.
- 300.4 In the event a Member obtains an approved Best Western sign from a source other than the Association, the Member shall transfer title and ownership of the logo portion or the Best Western identification portion of such sign to the Association.
- **300.5** The Member shall be responsible for the cost of installation of any and all Best Western signs and shall be responsible for maintaining such signs in first-class condition.
- 300.6 Upon termination or cancellation of Membership, the former Best Western Member shall remove the Best Western sign, sign cabinets for NL and NM signs, as defined in Best Western's Brand Identity Manual, and any part thereof, or any display of the Best Western emblem or logo. When the sign cabinet is removed, it must be destroyed or modified so that the top of the cabinet has no curvilinear features. Best Western or its authorized agents shall have the right to enter upon the Property for the purpose of removing any Best Western sign, sign cabinet for NL and NM signs and any display of the Best Western emblem or logo upon termination or cancellation of

Membership. The cost of removal of Best Western identification upon termination or cancellation of Membership shall be the responsibility of the former Member. If Best Western must take action to require or complete the removal, destruction or alteration of signs, sign cabinets and other Best Western identification, the former Member shall be responsible for costs and fees, including attorneys' fees incurred by Best Western.

- **300.7** All logos not conforming to Best Western standards shall be removed or replaced to meet Best Western requirements at the Member's expense.
- 300.8 In cases where zoning prohibits display of any available approved sign which meets
 Best Western's minimum requirements, Members shall submit zoning ordinances, plus graphics and dimensions to Brand Identity Administration of Best Western for review. The Member/Applicant must request a variance in writing from the local city board and if denied, appeal to the next level of government. If local ordinances prevail, the Member or Applicant shall be required to comply with Best Western's minimum requirements in the following manner.
 - A. All allowed signs shall be installed in the most advantageous combination of permitted locations and sizes within the primary Property entry area, including entry drive, canopy, porte cochere and main lobby entrance.
 - B. The balance of the required Best Western logo signs shall be provided inside the public area, located behind the front desk, or at the main lobby entrance, whichever is the most prominent. A conforming logo shall be either a minimum four square foot full color logo or a minimum eight square foot logo in natural materials.
 - C. Any remaining balance shall be installed in other practical, prominent public locations. If the combination of permitted exterior signs and complying interior signs in practical, prominent public areas do not equal the required total square footage, a qualified graphics consultant shall be engaged by the Member at their expense to evaluate the suitability of additional locations and sizes for Best Western Brand Identification. The consultant's recommendations shall be evaluated by Best Western's Sign Consultant and Field Designer. If approved by Best Western, the graphics package shall be immediately implemented.
 - D. When the canopy or the porte cochere are the only locations to display the Property name, then the Best Western logo shall be displayed as outlined in the Brand Identity Manual, Best Western Sign Program Brochure and Guidelines for Best Western Signs. On a multisided canopy, only one side shall count toward the 50 square foot requirement.
 - E. The Member or Applicant shall have the right to appeal to the Board regarding compliance with this rule. The decision of the Board shall be final.
- 300.9 Each Member shall use either the words "Best Western" or the Best Western logo immediately preceding the individual property name in directories and travel guides, brochures, postcards/hotel letters, envelopes, business cards, Yellow Pages, courtesy cars/vans and in all media

- as outlined in the Brand Identity Manual or policies and directives of the Board. If the Member elects to use the words "Best Western" rather than the logo immediately preceding the Property name to meet this requirement, the Best Western logo shall be placed elsewhere in the advertisement or display.
- **300.10** The Best Western logo shall be reproduced in its true proportions and entirety and, when reproduced in color, in the approved colors, in accordance with the Brand Identity Manual distributed by Best Western.
- **300.11** No Member shall permit the use or display of any merchandise or advertising bearing the Best Western logo in any non-Member lodging facility.
- **300.12** No Member shall permit the use or display of any merchandise or advertising of a non-member facility at, or in connection with, the advertising of a Member Property except as provided in the Brand Identity Manual, as may be changed from time to time by the Board.
- 300.13 All signs including outdoor billboards, shall conform to quality standards, engineering and design specifications and approved art as prescribed in the Brand Identity Manual, Guidelines for Best Western Signs, the Sign Program Brochure and Best Western's Brand Identity Exterior Sign Program Design Intent Drawings.
- **300.14** All Property signs, including supporting structures and bases, shall be well-maintained, properly lighted and in a good state of repair and operation at all times. A Signage Condition Evaluation shall be conducted in conjunction with any Quality Assurance inspection or at any other time, but no sooner than 30 days following the last Signage Condition Evaluation, at the Regional Service Manager's discretion. If a point deduction of 15 or more points occurs on any two Signage Condition Evaluations within one year, the Property shall be subject to cancellation of Membership as outlined in paragraph 1100.6 of the Best Western Rules and Regulations. Points deducted for specific signs or conditions may be reinstated if, within 30 days of the Signage Condition Evaluation date, acceptable proof (repair documents and/or photographs,) is submitted to the Best Western Quality Assurance Department showing the sign/condition has been fully corrected.
- **300.15** A Property may post rates on outdoor billboards and signs. However, all rate posting shall meet the following minimum standards: (a) All rooms of the advertised room type shall be offered at the advertised price; (b) all rate posting shall conspicuously indicate the type of room offered and shall indicate the number of persons accommodated at the advertised price if the posted rate is based on a number of occupants; and (c) the posted rate shall be available at all times during which the rate is being posted unless the rate posting conspicuously indicates all restrictions placed on the availability of the posted rate. Any rate posting shall conform to the Best Western rate sign posting graphic standards. All rate posting shall represent a bona fide offer to sell the advertised rooms at the advertised price.
- **300.16** All signs and identification of any other motel/ hotel chain shall be removed before installing the Best Western sign and beginning operation as a Best Western Property.

- 300.17 All Best Western signs obtained from a source other than the Association's approved supplier shall be manufactured in accordance with Best Western's current sign specifications. All costs incurred in the removal or replacement of signs that do not comply with current sign specifications, regulations or graphic standards shall be the responsibility of the Member.
- **300.18** The Member is cautioned that it is the Member's responsibility to ensure that all signs comply with prevailing laws and ordinances. Compliance with the standards and criteria of Best Western does not assure compliance with state and local laws and ordinances.
- 300.19 To the extent of any inconsistency between the provisions of Chapter III of these Rules and Regulations and any manuals, brochures, guidelines, drawings or specifications adopted pursuant to Chapter III, the provisions of these Rules and Regulations shall apply.
- **300.20** Each Member shall display a Best Western membership plaque at the entrance. The minimum size of the membership plaque is 6 1/2" x 9 1/8".

Chapter IV

- 400.0 Reservations System
- **400.1** Each Member shall participate in and comply with such reservations system as may be approved and adopted by the Board, including any and all alterations, amendments, deletions or supplements thereto.
- **400.2** Each Member shall execute such documents and agreements as Best Western deems necessary to effectuate Member participation in and compliance with such reservations system.
- **400.3** The approved property-to-property reservations system is the Nova.
- **400.4** No Member shall permit the referral of Best Western guests to non-member properties unless all available Best Western rooms in a given area are filled.
- **400.5** Future reservations shall be solicited of each guest at the time of check-in and check-out. This shall be done consistently as a part of the registration and check-out procedure.
- **400.6** Front desk personnel of all Properties are required to be proficient in sending and receiving reservations.
- 400.7 Standards for arrival times that require guarantees and guaranteed policies will be set periodically by Best Western. Each Member shall, when required by Best Western, select from these standards the desired guarantee policy for the Property. Members shall comply with the selected policy for the entire period for which the selection is made.
- 400.8 Each Member shall honor room reservations made with either an advance deposit or credit card guarantee or a 4pm/6pm hold if accepted by the Property, at the rate confirmed at the time of booking. If for any reason a room is not available, the Member shall arrange for comparable accommodations in the area, if possible at a nearby Best Western; if not, at a comparable hotel or motel. The room shall be provided at no charge to the guest for the first night's stay. Transportation and a telephone call to notify the guest's home or office of the change shall also be provided without charge.

- 400.9 Room rental rates for each Best Western and group rates, if applicable, are established by the Member based on such considerations as investment, location, competition, season and any other matters deemed pertinent by the Member in its sole discretion. Each Member shall furnish accurate and current room rate information and current group rate information, if applicable, for publication and use in the reservations system. Serious, repeated or unexplained failures to provide accurate and current room rate information may be deemed to constitute continued violations, deficiencies or infractions of applicable Rules and Regulations and may result in cancellation of Membership in accordance with paragraph 1100.6 and the procedure set forth in Chapter XII of these Rules and Regulations.
- **400.10** Each Member shall furnish accurate and current information in a timely manner for publication and use in the reservations system.
- 400.11 Intentionally omitted.
- 400.12 Intentionally omitted.
- **400.13** An on-site representative from each Property shall attend a ST*R Training Seminar each year.
- **400.14** Children 12 years old or under stay free when accompanied by a parent or grandparent in the same room.

Chapter V

- 500.0 Administrative
- 500.1 All fees, dues and assessments payable by Members to the Corporation shall be established by the Board.
- **500.2** All Members shall pay such fees, dues and assessments as may be established by the Board.
- **500.3** All Members shall pay a monthly fee established by the Board.
- 500.4 All monthly charges are due and payable on or before the 15th of each month. An additional charge shall be assessed for late payment.
- **500.5** Annual Dues shall be non-refundable on December 1.
- 500.6 A. Applications for Membership shall be made on application forms as prescribed by the Board and accompanied by payment in full of the appropriate fee as established by the Board. Applicants shall be elected to Membership in the Association by favorable vote of a majority of the Board. Voting on Membership Applications may be by mail or at any special or regular meeting of the Board.
 - The Board may in its sole discretion consider Membership Applications for lodging facilities which are proposed for construction or under construction. The Board may approve such applications subject to one or more contingencies or conditions imposed by the Board in its sole discretion and, in the case of facilities proposed for construction, may allow the applicant 12 months in which to begin construction (poured concrete footings on approved site). If such conditional or contingent approval is given, the applicant shall not be entitled to Membership until the Board has received proof, satisfactory to it, that all such conditions or contingencies have been timely satisfied. The Board may permit Applicants who have received contingent approval for properties under construction to have a listing in the

- reservations system under certain conditions. Applications given contingent or conditional approval as provided in this paragraph (B) shall not be transferable to any other location.
- The Board may act upon Membership Applications by or on behalf of prospective purchasers or transferees of lodging facilities for which current Memberships are held by approving such applications subject to one or more contingencies or conditions imposed by the Board in its sole discretion. If such contingent approval is given, the Applicant shall not be entitled to Membership until the Board has received proof, satisfactory to it, that all such conditions or contingencies have been timely satisfied. Such final approval, if granted, shall be effective from the date of close of sale or transfer. The Board may direct that customary membership services to the Property remain uninterrupted during any contingency period, upon the applicant's agreement to timely comply with the stated conditions and pay the established fees, dues and assessments for said period and the cost of all goods or services provided by or ordered through Best Western whether or not the application is ultimately approved. However, in no event shall this continuation of customary membership services be construed as granting Membership status to the Applicant.
- D. The Board may act upon other Membership Applications by approving such applications subject to one or more contingencies or conditions imposed by the Board in its sole discretion. If such contingent approval is given, the Applicant shall not be entitled to Membership until the Board has received proof, satisfactory to it, that all such conditions or contingencies have been timely satisfied. Such final approval, if granted, shall be effective from the date the final approval is granted. The Board may direct that customary membership services to the Property may commence during any contingency period, upon the Applicant's agreement to timely comply with the stated conditions and pay the established fees. dues and assessments for said period and the cost of all goods or services provided by or ordered through Best Western whether or not the application is ultimately approved. However, in no event shall this commencement of customary membership services be construed as granting Membership status to the Applicant.
- A. All Applicants for new Membership, including those made by or on behalf of prospective purchasers or transferees of lodging facilities for which current Memberships are held, shall remit a non-refundable evaluation fee with their applications. The amount of the evaluation fee shal be established by the Board from time to time to defray, in whole or in part, the administrative costs, including inspection costs, of evaluating such new Membership Applications.
 - B. All Applicants shall also remit an affiliation fee with their applications in an amount established from time to time by the Board. The affiliation fee shall be non-refundable 30 days after either approval by the Board of the application or upon conditional approval by the Board of the application and the Applicant's agreement to satisfy the stated conditions in timely manner. If

(i) an application is initially denied by the Board or, (ii) in the case of an application for lodging facilities which are proposed for construction, the Applicant withdraws the application within six months of the initial Board action on the application and prior to the start of construction, then in either such event, the affiliation fee, less any amounts owing Best Western by virtue of agreements made pursuant to paragraphs 500.6 (C) and (D) of the Rules and Regulations, shall be refunded to the Applicant. The refund shall be paid only after (i) return is made to Best Western or its designated agents of any and all Best Western Property in possession of the Applicant, including the Best Western sign and reservations equipment, if any; and (ii) discontinuance by the Applicant of any use or display of any Best Western marks, service marks, membership marks, trademarks, trade names and business symbols, including without limitation, the Best Western emblem and logo.

A. An Applicant granted conditional approval for a Property proposed for construction may apply for extensions of time related to the conditional approval so long as construction has not yet commenced. Extensions may be granted by Best Western in six (6) month increments. The total amount of time that may be allowed to begin construction shall be three (3) years from the date of conditional approval.

Each such Applicant seeking an extension shall submit:

- 1. Any such request at least thirty (30) days prior to the then-expiring period allowed for commencement of construction;
- 2. A progress report describing, at a minimum, the current status of financing, architectural plans, specifications, satisfaction of zoning requirements, and plans for commencement of construction; and
- 3. Payment of a non-waivable extension fee, with the extension fee determined by the Board from time to time. The extension fee shall be nonrefundable as of the date that the extension period begins.
- B. In the event that a request for extension is not timely submitted, an extension shall not be granted and the applicant may not re-apply for Membership at the same location for ninety (90) days following the end of the extension period. Any such re-application following the expiration of an extension shall be accompanied by all fees required under Rule 500.6.
- All Members are required to use the name "Best Western" as part of the name of their Property either as the sole name or in combination with another name. All advertising of a Member Property bearing Best Western as its sole name, however, shall include the statement "individually owned." Legal entities such as corporations, partnerships, firms or associations that own, lease or operate properties are not permitted to use the name "Best Western" as any part of their legal name.
- **500.10** All Members shall accept all approved credit cards for payment of room rent and services.
- **500.11** A Member or designated operating manager or active management employee of each Best Western Property shall attend either the Annual Convention or a District Meeting each year.

- 500.12 All new Members are required to send a representative of their hotel, motel or resort to an Orientation Seminar before they are permitted to operate their facility as a Best Western Property. This representative shall be an on-site employee of the Property, serving in some operational or management capacity. In addition, all Members shall participate in the INNVISION Program (now titled "Tools for Success") at their own expense.
- 500.13 All Members shall accept reservations from bona fide travel agents on a year-round, space-available basis and pay at least the standard 10 percent commission on the gross room rental, except for bookings on special package programs made at net rates as specified by Best Western.
- **500.14** Each Member and each contingently approved Applicant shall keep in full force, at all times, a policy (or policies) of insurance which:
 - A. Is a public liability and property damage policy. Coverage shall be on a commercial general liability form including the broad form endorsement or its equivalent. Coverage shall include premises and operations, owners and contractors protective, products and completed operations, personal injury and contractual liability.
 - B. Is a policy covering liability for owned automobiles, non-owned automobiles and hired automobiles.
 - C. Is issued by an insurance carrier which is rated no lower than "B+" in the most current edition of A.M. Best's Key Rating Guide and is licensed to do business in the state in which the Member is domiciled. Any other insurance carriers, risk prevention groups, captive insurance companies or liability insuring entities must be approved by the Best Western Board before submitting the Certificate of Insurance to Best Western. Approval shall be at the Board of Directors' sole discretion.
 - D. Names Best Western International, Inc. as an additional insured, on all insurance policies including, but not limited to, primary, excess and umbrella policies, providing coverage to Best Western for its active and passive negligence for claims arising from acts occurring at or concerning the subject property by use of ISO Form CG20-26-11-85 or its equivalent. Members not providing insurance as set forth in this paragraph (D) agree to indemnify Best Western for all claims and damages which would have been covered by insurance meeting the requirement of paragraph (D) of this rule.
 - E. Provides minimum liability limits in such amounts as may be established from time to time by Best Western's Board.
 - F. Provides liability coverage on an "occurrence" basis. The Best Western Board may authorize an exemption from this provision, and permit liability coverage on a "claims made" basis, where the Member demonstrates an inability to obtain "occurrence" coverage. In the event that "claims made" coverage is authorized, the Member shall obtain tail coverage, with liability limits as though an "occurrence" policy had been in force, providing retroactive coverage to the date of the Member's last "occurrence" policy or the first date of contingent approval for Membership, whichever is later.

500.8

- G. If at any time a Member changes from a "claims made" to an "occurrence" form of liability insurance, one of the following coverages shall be obtained:
 - 1. An open-ended reporting period for losses occurring during the time of coverage under "claims made" policy, or the first date of contingent approval for Membership, whichever is later.
 - 2. Prior acts coverage back to the Member's first date of "claims made" coverage or the first date of contingent approval for Membership, whichever is later.
- H. The Member's insurance shall be primary in all cases. Any other insurance maintained by Best Western is for the protection of Best Western only and is not supplementary or excess insurance for the Member.
- Provides that the insurance companies issuing such insurance shall notify Best Western in writing at least sixty (60) days prior to any cancellation, alteration or non-renewal of the policy. Each Member and each contingently approved Applicant shall annually provide Best Western with a Certificate of Insurance, on forms provided by Best Western, evidencing a policy or policies meeting the above requirements. The Certificate of Insurance shall be provided with the contingent Applicant certification agreement or prior to or upon expiration of the current Certificate of Insurance on file with Best Western. Failure to provide the Certificate of Insurance shall result in automatic termination in accordance with the provisions of Article II, Section 7 of the Bylaws. As a condition of contingent approval, each Applicant, upon notification by Best Western that Best Western intends to contingently approve the Application, shall provide Best Western with a Certificate of Insurance, on forms provided by Best Western, evidencing a policy or policies meeting the above requirements. This requirement shall be met prior to activation of services, installation or display of any Best Western signs, or advertising or disclosure of any Best Western association. Failure to maintain the insurance coverage required by this rule shall be grounds for termination of Membership in accordance with the provisions of Article II, Section 8 of the Bylaws, immediate suspension of services and termination of contingent approval as may be prescribed in the Rules and Regulations of Best Western.
- 500.15 It is required that each Best Western affiliated Member permit inspection of all accommodations, facilities and procedures by an accredited Best Western Regional Service Manager to determine compliance with these Rules and Regulations and the Best Western Member Information and Resource Guide, and as deemed necessary by the Board. Every effort will be made to provide the Member with advance notification of a scheduled inspection, but it may not always be possible to do so. When possible, not less than 24 hours advance notice will be given. There will be no notice given where an unannounced inspection is intended.
- 500.16 The quality control inspection program is designed to assist the Member and Best Western Headquarters in identifying potential problems at the Property. The report measures the cleanliness and condition of the Property, the amenities

and services furnished, and how well the Member complies with the established Rules and Regulations.

- **500.17** A perfect score in the inspection program is 1,000 points in the inspection report or the Guest Rooms/Public Areas Condition Report. A score of less than 850 points, a point loss of more than 50 points in housekeeping, or a point loss of more than 100 points in maintenance may result in stricter and more frequent inspection requirements. A score of less than 800 points in an inspection report or the Guest Rooms/Public Areas Condition Report will result in the Member Property being placed into probationary status. The Board may establish a fee for any inspection which is scheduled as a more frequent inspection under this rule. A Property, once placed into probationary status, will remain in the status until such time as the inspection report or the Guest Rooms/Public Areas Condition Report score equals or is greater than 800 points or until cancellation of the Membership pursuant to paragraph 1100.6 of these Rules and Regulations. The Board may impose stricter inspection requirements on probationary properties.
- **500.18** The complete facilities may also be inspected by a member of the Board, a Regional Governor or other member of the Best Western administrative staff.
- 500.19 Although not specifically required, it is desirable that the owner or manager of the Property accompany the Regional Service Manager on the inspection and review the report with the inspector prior to the Regional Service Manager's departure from the Property.
- **500.20** A. All Properties will be scheduled for inspection in the manner provided by the Best Western Member Information and Resource Guide, as may be amended.
 - B. All facilities associated with a Member Property shall be made available for inspection. These facilities include:
 - 1. All land, buildings and improvements which are owned or leased by the Member;
 - 2. Facilities which are represented by the Member as being available to provide goods, services or amenities to the Member's guests where the goods, services or amenities provided by the facility are represented as being owned, managed or controlled by the Member.
 - C. All leases or management contracts for facilities associated with the Member Property shall include provisions permitting inspection and renovation, as provided in Chapter V of the Rules and Regulations.
 - D. All facilities associated with the Member Property shall be presumed to be available for inspection and renovation unless established to the contrary by the Member and a waiver is secured from Best Western.
 - E. Waivers from the requirements of this rule may be granted by Best Western, upon such terms and conditions as it, in its absolute discretion, may determine.

500.21 A. Subject to paragraph (B) below, the Board of Directors may adopt and implement programs and requirements to (i) provide regular maintenance of Member Properties, (ii) maintain a fresh and high quality appearance of Member Properties. (iii) conform to design, appearance, or operating criteria for Member Properties, and (iv) refurbish and renovate Member Properties, to help ensure that each Member Property offers the public fresh and high quality accommodations that are competitive with other lodging available to the public and are current with lodging industry trends. For purposes of Rule 500.21, such programs are individually and collectively referred to as "Refurbishment Programs." Any Refurbishment Program adopted by the Board of Directors or the Members is applicable to all Members, and shall include requirements for "Best Western", "Best Western Plus" and "Best Western Premier" Properties.

- B. Any Refurbishment Program adopted by the Board of Directors shall, prior to implementation, be submitted to the Members for their vote and approval, in accordance with the Bylaws, if (i) the cost of required item(s) is more than US\$150 per room, per Member Property if purchased through Best Western Supply (the "Expenditure Limitation"), or (ii) the Board of Directors should reasonably expect that most Member Properties will need to hire a "trade person" to install the item(s). For the purposes of this Rule "trade person" means a person who is skilled in a particular trade or craft. The Board will not mandate in any 12-month period Refurbishment Programs that alone or in the aggregate equal or exceed the Expenditure Limitation. The Expenditure Limitation will be adjusted in accordance with Article II, Section 6(D) of the Bylaws every 5 years, with the first adjustment being made on January 1, 2014.
- C. Nothing in this Rule 500.21 will amend, supersede or consider any current programs or requirements, including without limitation, Best Western's New Construction Guidelines or Renovation & Refurbishment Guidelines (sometimes referred to as the New Construction and Refurbishment Guidelines).
- D. Nothing in this Rule 500.21 limits the authority of the Board of Directors to grant individual Members deviations, variances or waivers from any current or future Refurbishment Programs or other requirements if the Board, in its discretion, determines that a deviation, variance or waiver is appropriate. Nor does anything in this Rule 500.21 limit the authority of the Board to impose any specific conditions upon Applicants for Best Western Membership or Members granted a conditional extension of their Membership after a hearing such as described in Chapter XII of the Corporation's Rules and Regulations.
- E. This Rule 500.21 shall, to the extent possible, be construed consistently with all other rules dealing with the same or related subject matter, but in the event of a conflict between this Rule and any other rules, this Rule 500.21 shall govern.
- 500.22 It is recommended that existing Members voluntarily proposing renovation or refurbishing submit proposed plans and specifications to the Design Department for review to avoid possible conflict with Best Western guidelines and avoid

unnecessary expenditure for products which may be subsequently disapproved. Pursuant to a request by Best Western, an Applicant or Member may be required to submit drawings, color boards and specifications to the Design Department for review before purchase or installation. Any redecorating, refurbishment and renovation not first securing the approval of the Design Department of Best Western may not, at the sole discretion of the Board, be considered to be undertaken or completed in compliance with orders, directives or conditions of the Board and may subject the Membership to cancellation pursuant to paragraph 1100.6 of these Rules and Regulations. In the event of disagreement between the Member or Applicant and the Design Department and/or Review Committee relative to the review and/or correction of property deficiencies, the Board shall have the final decision.

- **500.23** Intentionally omitted.
- **500.24** Each Best Western Property shall be operated in a high ethical and moral standard consistent with Best Western's concept of providing quality accommodations at fair and reasonable prices.
- **500.25** Best Western Members shall comply with all prevailing laws, ordinances and regulations pertaining to the operation or construction of a hotel/motel or resort property.
- **500.26** Each Best Western Member will maintain the premises, including coffee shops, restaurants, lounges, meeting/banquet rooms and other public areas, in a clean, safe and orderly condition.
- **500.27** Efficient, courteous and high quality services shall be provided by each Best Western Member.
- **500.28** Any deviation from these Rules and Regulations shall have the prior written approval of the Board. A file of all written waivers shall be maintained at the property and available for inspectors to verify waiver.
- **500.29** Each Best Western Member shall use reasonable means to encourage the use of other Best Western affiliated hotels/motels on a worldwide basis by the traveling public.
- **500.30** Each transaction with the guest shall be conducted in a courteous, cordial, friendly and professional manner that reflects fair and ethical policies and practices.
- 500.31 Personnel shall be properly trained to serve the quests in a professional manner. Completion of Best Western's online training is required for all Front Desk staff at each Property, within 90 days following the Front Desk staff person's effective hire date, with specific online training to be based on the online curriculum available at the time of hire. Each Member will be billed annually for training on a cost recovery basis. Effective December 31, 2009, each Property is required to have at least one staff person at the Property that has completed an *I Care* training program instructed by Best Western and has passed the certification exam. In the event of turnover of the only qualified staff person, another staff person must complete the Best Western training and pass the certification exam within 90 days. Additionally, by December 31, 2012, each Property will complete *I CARE 2* training. Furthermore, effective June 1, 2013, each

Property will be required to implement and thereafter maintain a General Clean and Preventative Maintenance Program.

500.32 All guest contact personnel shall be neat, well-groomed and properly attired.

500.33 In order to foster, promote and continue Best Western's image as a provider of high quality service to the traveling public, including families, it is declared to be in the best interest of all Members to uniformly prohibit the offer, sponsorship or provision of any entertainment which could be classified as adult, pornographic, lewd, sexually explicit or obscene. Prohibited entertainment shall include, without limitation, the showing of or offer to show any movie or film with an "X" or similar rating or any movie or film that is equivalent to "X" rated and the offering of nude dancing or modeling. The Board shall have final discretion in determining whether there has been a violation of the purpose and spirit of this rule.

500.34 All Best Western Members are expected to comply with Best Western's guaranteed reservations system as prescribed in the Best Western Member Information and Resource Guide.

EFFECTIVE UNTIL JANUARY 1, 2010:

The owner or manager of a Best Western Property shall give prompt and courteous attention to any guest criticism, regardless of its source. When complaints are received at Best Western Headquarters with reference to a particular property, the guest will be sent a reply stating that the complaint will be investigated and that the guest can expect to receive an answer directly from the property. Such a complaint letter shall be answered within seven (7) days, with a copy directed to the office of Customer Service at Best Western International Headquarters.

500.35 The hotel staff of a Best Western Property shall give prompt and courteous attention to any guest concern. When complaints are received at Best Western Headquarters with reference to a particular Property, if the complaint relates to accommodations or service, Best Western Headquarters shall have the authority to resolve the matter upon the first contact, in which case a record of the complaint and resolution will be forwarded to the hotel and the hotel will be charged a fee according to the following schedule:

Property Cost	Hotel Size 1 - 50 Rooms	Hotel Size 51 - 100 Rooms	Hotel Size 101 - 150 Rooms	Hotel Size 151 - 200 Rooms
Free	First 3	First 4	First 5	First 6
	Complaints	Complaints	Complaints	Complaints
\$30 Each	Complaints 4 - 8	Complaints 5 - 10	Complaints 6 - 12	Complaints 7 - 14
\$60 Each	Complaints	Complaints	Complaints	Complaints
	9 - 12	11 - 15	13 - 18	15 - 21
\$100 Each	Complaints	Complaints	Complaints	Complaints
	13 & over	16 & over	19 & over	22 & over

In increments of 50 additional rooms over 200, Properties will receive one additional free complaint, one additional \$30 complaint, and one additional \$60 complaint. The number of complaints shall be measured in each Best Western fiscal year.

If the complaint relates to billing, a matter beyond the Property's control (e.g., power outage), or a Property policy (e.g., no children in the fitness center), the guest may be advised that the complaint will be investigated and that the guest can expect to receive a response directly from the Property, in which case the complaint shall be acknowledged by the Property within two (2) business days and resolved within seven (7) days, with a copy of the written response and resolution directed to the Office of Customer Service at Best Western Headquarters.

If multiple customer service complaints are received for the same event, e.g., sports teams, weddings, etc., only one charge will be billed to the hotel.

500.36 The acceptance of pets of guests is recommended, subject to prevailing laws that may apply. Seeing eye dogs shall be permitted in any area accessible by their masters.

500.37 Each Best Western Property shall be of soundproof construction, in a desirable location, have an attractive exterior and provide year-round heating and/or cooling.

500.38 Each Best Western Member Property shall have a restaurant on or within 500 feet of the premises, except when individual circumstances warrant a variance approved by the Board. Although a restaurant is located within 500 feet of the premises, it shall not qualify the Member Property under this rule if that restaurant is located at any other lodging establishment.

500.39 A. Best Western Member Properties which do not have on-site full-service restaurants, shall be required to provide a complimentary (free of charge) breakfast buffet consisting of the following:

- 1. A breakfast buffet must include (a. through o.):
- a. Choice of two: sliced breads. White, wheat, rye, sourdough, etc. comply.
- Choice of one: bagel, English muffin, croissant, or biscuit.
- Choice of two: Sweet rolls, muffins, Danish, cinnamon roll, and specialty loaves (e.g. banana bread).
- d. Butter or margarine, and assorted jellies and jams (if bagels are offered, cream cheese must be provided).
- e. Choice of three dry cereals: Raisin Bran and at least two other options including Corn Flakes, Special K, etc. One children's cereal is recommended.
- f. Choice of one: oatmeal, grits, or Cream of Wheat.
- g. Choice of two juices: one must be orange juice.
- h. Choice of two fruits: one must be fresh.
- i. Regular and decaffeinated coffee (premium quality coffee such as Maxwell House, Folgers, Douwe Egberts, or approved national or regional roaster or super premiums, such as Starbucks, Peet's, Seattle's Best), and two choices of tea.
- . Two creamers (one dairy and one non-dairy).

- k. Sugar and choice of two types of sugar substitute (saccharin-based, e.g., Sweet 'N Low, aspartame-based, e.g., NutraSweet, and sucralose-based, e.g., Splenda, comply).
- . Choice of two milks: whole, two percent, and/or skim.
- m. Choice of one egg type: hard boiled, scrambled, omelet, etc.
- n. Salt and pepper.
- One hot item (choice of freshly baked waffles, pancakes, French toast, cinnamon buns, biscuits with gravy, an egg product).
- 2. That in addition to the Best Western breakfast buffet requirements of Rule 500.39 A. 1, the breakfast buffet of all BEST WESTERN product descriptor Properties shall include:
- a. Choice of one: waffles, pancakes, french toast or crepes, freshly prepared or prepackaged from a Best Western approved vendor.
- b. Coffee 100% Columbian or Arabica (may use local vendor).
- c. Yogurt.

That in addition to the Best Western breakfast buffet requirements of Rule 500.39 A. 1, the breakfast buffet of all BEST WESTERN PLUS product descriptor Properties shall include:

- a. Choice of one: waffles, pancakes, french toast or crepes, freshly prepared or prepackaged from a Best Western approved vendor.
- Coffee 100% Columbian or Arabica (may use local vendor).
- c. Yogurt.
- d. Hot eggs and hot breakfast meat, or breakfast sandwich with egg and meat.

That in addition to the Best Western breakfast buffet requirements of Rule 500.39 A. 1, the breakfast buffet of all BEST WESTERN PREMIER product descriptor Properties shall include:

- a. Choice of one: freshly prepared waffles, pancakes, french toast or crepes.
- b. Coffee 100% Columbian or Arabica (may use local vendor).
- c. Yogurt.
- d. Hot eggs and hot breakfast meat.
- e. Prepared non-instant oatmeal.
- f. Fresh fruit cereal toppings.
- g. Fresh squeezed orange juice (not from concentrate), no dispensers.
- 3. The complying breakfast buffet or full-service breakfast must be offered a minimum of three hours every morning, seven days a week. The breakfast buffet shall be regularly stocked during established breakfast hours of operation. The breakfast area shall be clean and maintained in accordance with Best Western standards. Any breakfast area must have a quality appearance, and

- furnishings must be of the same quality if adjacent to other public areas. Hotels that do not have an on-site full-service restaurant and that do not serve a free breakfast on-site shall serve the free breakfast in a restaurant immediately adjacent to the hotel. All BEST WESTERN and BEST WESTERN PLUS hotels that offer a complimentary breakfast buffet shall staff a breakfast attendant who will be present in the breakfast area to replenish breakfast offerings and to keep the breakfast area clean, during breakfast hours when the hotel has 40 or more occupied rooms. BEST WESTERN PREMIER hotels shall always staff a breakfast attendant or wait staff.
- B. In addition, each Best Western Member Property must provide seating at a minimum rate of 20 percent of rooms (e.g., 10 seats per 50 rooms) with a minimum of two tables and six chairs. (New Construction and Conversion Applicants: Refer to the Guidelines addendum for seating requirements, which the Board may change from time to time.)
- C. For Properties offering a free (at no additional charge) complying breakfast, a special and prominent designation will be provided, at the Property's discretion, in all channels where individual property listings include amenities/services available and Best Western has the ability to provide such designation.
- D. To qualify for a **"Free Breakfast"** designation, a Property must offer, at a minimum, the breakfast buffet described in A.1.a through A.1.o above and the applicable requirements of A.2 above, at no additional charge.
- E. To qualify for a "Free Hot Breakfast" designation, a Property must offer, at a minimum, the breakfast buffet described in A.1.a. through A.1.o. above, and hot breakfast consisting of: Choose one from 1, one from 2, and one from 3 below:
 - 1. Freshly prepared waffles, French toast, pancakes, or biscuits and gravy.
 - 2. Scrambled eggs, omelets, or eggs cooked to order.
 - 3. Ham, bacon, sausage, or Canadian bacon.

Free full-service menu breakfasts may also qualify as a "Free Hot Breakfast", if approved by Best Western in advance.

- F. Advertising Free Breakfast. Properties that do not meet the above minimum standard for the breakfast buffet described in A.1.a. through A.1.o. above, at no additional charge, may not advertise free breakfast in any publication, website, bill board, etc. Properties found to serve less than this minimum but still advertising free breakfast shall be assessed a 240 point loss against minimum standards.
- G. Advertising Free Hot Breakfast. Properties that do not meet the above minimum standard for the "Free Hot Breakfast" designation may not advertise free hot breakfast in any publication, website, billboard, etc. Properties found to serve less than this minimum but still advertising free hot breakfast shall be assessed a 240 point loss against minimum standards.

- H. All Best Western Member Properties that have an on-site full-service restaurant that charges for breakfast: (i) shall offer breakfast inclusive room rates; and (ii) may offer breakfast exclusive room rates.
- 500.40 The Member shall be responsible for loss or damage to any Best Western equipment furnished in conjunction with the affiliation which is in their care, custody or control.
- **500.41** All Best Western Members and personnel shall display a courteous and professional attitude toward officers, directors, employees and staff of Best Western.
- **500.42** All Members shall participate in all mandatory programs and promotions as may be adopted by the Board.
- 500.43 Each Property shall take all steps which may be necessary to maximize guest satisfaction and minimize guest complaints. In order to assure compliance with this rule, Best Western will monitor each property on a rolling 12-month basis. The receipt of more than 1.7 guest complaints for every 10 rooms during the monitoring period (the ratio of the number of complaints to the number of rooms shall not exceed .17) shall be conclusive evidence of a violation of this rule. Effective January 7, 2007.
- **500.44** Members shall at all times respect the privacy of guests and shall institute reasonable measures and precautions designed to safeguard guest privacy. Violation of this rule shall be grounds for Membership termination.
- A. The number of rentable guest rooms of an approved or conditionally approved Best Western Property, as provided by rule 500.6 of the Rules and Regulations of Best Western, may not be increased or decreased more than 10 rooms or 10%, whichever is greater, without the prior approval of the Board in accordance with the procedures established herein.
 - 1. An application to increase or decrease the number of rentable guest rooms shall be as prescribed by the Board and accompanied with payment of fees as established by the Board. The Board may require additional information.
 - 2. An increase or decrease of more than 10 rooms or 10%, whichever is greater, shall be determined by reference to the most recent Membership Application & Agreement or property unit count on file with the Association, whichever is greater, and shall be a cumulative total of guest rooms increased or decreased at the Best Western Property since the effective date of this rule.
 - 3. The notification, impact studies, and approval procedures shall be as prescribed in Article II, Section 2(C) of the Bylaws and the Board policies interpreting and implementing that Section 2(C), except:
 - Payment for the impact study shall be by the individual making the request to increase or decrease the unit count;
 - b. The impact study shall only consider the impact of the increase or decrease requested; and
 - c. The Board of Directors may waive impact studies for unit count decreases.

- B. 1. Properties described in Article II, Section 1, (E)(1) of the Bylaws, pertaining generally to Properties whose rental units are each separately owned, may be associated with a Membership and the designated Best Western Property. Such an association shall be upon such terms and conditions as may be established by the Board.
 - 2. In the event that an ambiguity or inconsistency exists in the application of the provisions of this section, or of Section 2(C) of Article II of the Bylaws, the Board shall have the right to resolve the ambiguity or inconsistency in its sole and exclusive discretion.
- **500.46** English speaking staff must be available if requested and be available within a reasonable time of such request having been made.
- **500.47** Snacks and hot beverages in guest rooms or public areas are to be available for guests.
- **500.48** Convenient arrangements for early morning call/alarm are to be available.
- **500.49** Safe deposit facilities are to be available for guests.
- 500.50 Each Property will be billed a registration fee for the annual Convention the month prior to the Convention, commencing with the 1997 Convention. The fee shall not increase more than the lesser of (1) five percent or (2) the rate of inflation for the previous year, as measured by the United States Bureau of Labor Statistics Consumer Price Index (all items for all urban areas).
- 500.51 Whenever there exists a marketing cooperative established by a majority vote of the Membership in their state (including the District of Columbia), province, territory or country (including regions such as the Caribbean), each Member shall participate in their respective state, province, territory or country marketing cooperative and abide by all established guidelines adopted by the cooperative.
- 500.52 Effective March 1, 2012, or as soon afterward as is practicable, all Members are required to award Best Western frequency program participants points, miles or partner rewards for all rate plans with the exception of rate plans associated with online travel agencies, tour operators, employee rate, FIT/wholesale/net rates, motorcoach/bus, crew, FX, and extended stays longer than thirty (30) nights.
- **500.53** The Board may assess a Member a fee of \$50 per occurrence for each complaint charged to its Member Property after any monitoring period in which the Member Property received a number of complaints exceeding the permitted quest complaint ratio. The per-complaint fee may be charged until the Member completes a monitoring period in compliance with the permitted guest complaint ratio. Charged complaints shall not include those categories of complaints that the Board determines Members cannot reasonably be expected to be able to control such as, without limitation, complaints resulting from electing not to participate in a non-mandatory advertising or marketing campaign, or complaints resulting from the failure of a third party to deliver a reservation to the property. Effective January 7, 2007.

- **500.54** The Board may assess a Member a fee of \$75 per occurrence for each guest complaint that its Member Property does not respond to or make reasonable efforts to resolve within the established time frame. Effective January 7, 2007.
- 500.55 In addition to any other applicable requirements, within 45 days following the change in ownership of a Best Western Member Property, the transferee, at its cost, must complete the same training requirements applicable at the time to new Members joining Best Western. The training costs will be billed on a cost recovery basis.
- 500.56 Best Western's certification is required for at least one housekeeping supervisory staff person at each Property, with certification costs to be billed to the Property on a cost recovery basis. In the event of turnover of the certified staff person, the Property will have 60 days to certify another member of staff.
- **500.57** Each Property shall take all steps necessary to maximize guest satisfaction. To ensure compliance with this rule, an "Annual Minimum Standard" for guest satisfaction is established based upon the Medallia system ratings for "Overall Service."

The Annual Minimum Standard will consist of the percentage of "9" and "10" scores for "Overall Service" received by all Properties during the prior fiscal year (December 1 - November 30) multiplied by .75, using electronic surveys only.

On November 30th of each fiscal year the Property is required to have received a percentage of "9" and "10" scores for "Overall Service" during that fiscal year at or above the Annual Minimum Standard.

Chapter VI

600.0 Lobby and Front Office

- All Properties shall provide a lobby of appropriate size and furnishings commensurate with the size of the Property and services offered. Ten (10) square feet per room for 40 through 150 room Properties or a minimum area of 400 square feet. Six (6) square feet per room in excess of 150 rooms. Deviation on larger Properties is subject to Best Western's prior approval.
- 600.2 The front office and registration/check-out area shall be maintained in an orderly and clean manner. An efficient, hospitable and courteous attitude shall be displayed to the guest at all times.
- Business shall always be referred to the nearest Best Western, unless by so doing the guest's best interest and comfort are not adequately served.
- Alternate accommodations should be provided to the guest if accommodations are not available in the contacted inn, to take advantage of the opportunity to render service to future guests and maintain the loyalty of that Best Western guest.
- 600.5 Additional charges shall not be made for reasonable requests for additional services, such as extra towels, soap, glasses, ironing boards, folding table and chairs, bedboards, blankets, etc.
- **600.6** Rooming guests in unprepared accommodations is prohibited.
- **600.7** The telephone switchboard shall be answered as promptly as possible in a pleasant, courteous manner. All incoming calls shall be answered

- using the words "Best Western." Callers should not be left holding dead lines, be asked to wait or otherwise be inconvenienced through inefficient service.
- 600.8 All Best Western Properties shall provide for registration or checking in of guests 24 hours a day. In the event the front desk is closed for certain hours, a bell or some other arrangement shall be provided for guest services. "No vacancy" signs are not recommended.
- **600.9** A current Best Western Member Information and Resource Guide shall be kept available for front office use.
- **600.10** All front desk personnel shall be in uniform or otherwise neatly attired.
- **600.11** Fax facilities are to be available during normal working hours.
- **600.12** Facilities for storing luggage, in case of late checkouts, are to be available.
- **600.13** Assistance with luggage is to be available upon request.
- **600.14** A telephone for internal/external calls located in public areas is to be provided for guest use.
- **600.15** Photocopy facilities shall be available on-site, seven days a week, during normal business hours (minimum of 14 out of 24 hours).
- **600.16** Long distance access shall be offered to guests free of any long distance access charges.
- **600.17** Local calls under 30 minutes per call shall be provided to guests free of charge.

Chapter VII

700.0 Buildings, Grounds and Public Areas

- 700.1 Exterior and interior of buildings shall be maintained in good condition and in a good state of repair at all times. Painted surfaces should be free of peeling paint, soil and obvious cracks in masonry, and should present an attractive appearance in accordance with Best Western standards.
- **700.2** Adequate free parking space shall be provided. The parking area shall be paved and well marked with stripes. It shall be clean and free of refuse and obstructions.
- **700.3** All parking areas, curbing, concrete bumpers and driveways shall be in a good state of repair and free of excessive cracking, crumbling, chuckholes or unsightly repairs.
- **700.4** Snow removal shall be performed when necessary by plowing and/or use of a melting compound. Icy conditions shall be corrected with an appropriate melting compound or traction providing material.
- **700.5** Sufficient lighting shall be provided in all parking areas to provide for guest security and safety to automobiles. Lighting should be on timing devices to go on at dusk and off at sunrise, and should be properly adjusted as seasons change.
- 700.6 The entrance to a Property shall be clearly identified and driveways unobscured so that incoming guests can readily locate the front office and/or restaurant and lounge facilities. Driving areas where view is obstructed should be clearly marked for slow driving.

- **700.7** Appropriate, attractive landscaping shall be provided. Grounds and landscaping shall be kept neat and clean. Lawn and planted areas should be free of weeds and properly edged.
- **700.8** Grounds shall be policed daily to remove debris and trash from shrubbery and planted areas.
- **700.9** Fire extinguishers shall be located in accordance with prevailing codes, be charged and in view, and bear required inspection certificates or tags.
- 700.10 One self-service ice machine and one soft drink machine shall be provided for each 60 rooms. Machines for one- or two-story properties shall be centrally located for convenient access by guests on each floor. One self-service ice machine and one soft drink machine should be provided on every other floor in Properties of more than two stories. Automatic ice machines shall dispense a controlled portion of sanitary ice. The dispenser may be operated, at the hotel owner's option, by room key or token. Ice shall be available free of charge to guests 24 hours a day, and its location well identified.
- **700.11** Ice machines shall be electrically grounded and maintained in a clean, safe, attractive condition.
- **700.12** Drink machines shall be electrically grounded, properly stocked, clean and in good condition.
- 700.13 Interior corridor carpeting shall be vacuumed daily and be free of wrinkles, litter, debris and clutter. Interior corridors shall be well lighted. Ceiling and woodwork shall be clean and in good repair.
- **700.14** Stairways, walkways and elevators shall be kept clean, uncluttered and well lighted; metal railings, treads and floor covering shall be kept in good condition.
- **700.15** No storage of any kind will be permitted in any interior corridors, hallways, exterior covered corridors, walkways or breezeways.
- **700.16** Stairway lighting, treads, risers and hand rails shall comply with the National Safety Council, OSHA or other appropriate government agency standards. Treads and landings shall have non-slip surfaces.
- **700.17** Exit lights shall be on emergency circuits and in operation at all times, in accordance with applicable prevailing codes.
- 700.18 Swimming pools are required, except where individual circumstances warrant a variance approved by the Board. Pools shall be a minimum of 400 square feet, except where a size variance is granted by the Board, and be heated if so advertised.
- 700.19 Swimming pool area, including deck, shall be neat, clean, attractive and maintained to a high degree of cleanliness year-round. Area shall be kept free of litter and refuse, especially breakable items such as bottles, dishes and articles made of metal or glass that could endanger the safety of guests. Exterior swimming pools that are closed to the public must have pool covers that have stretching capabilities and are securely fastened on all sides or are made of another pre-approved product to eliminate the collection of refuse or rainwater and subsequent unsightly stagnant conditions.

- **700.20** Pool depth should be marked to indicate every two-foot change in depth; such markings are to appear on both the vertical sides of the pool and on the pool deck or apron. Shallow and deep ends should also be clearly identified at pool deck level.
- **700.21** Pools shall be maintained in accordance with state regulations.
- **700.22** Pumps, filters and underground equipment areas shall be clean, neat, properly vented and maintained at all times. Covers for below ground equipment area shall be properly in place at all times.
- **700.23** Chemical balance of pool water shall be maintained at proper levels in accordance with prevailing codes. Daily tests should be conducted and recorded.
- 700.24 Adequate pool furniture shall be provided, commensurate with size of property. Furniture shall be maintained in good, clean condition, present no hazardous or unsafe conditions and enhance the overall appearance of the pool, deck and area.
- **700.25** Doors, locks and hardware shall be regularly inspected for easy, efficient operation and good appearance.
- 700.26 All guest room entrance doors shall be solid-core or metal. Entrance doors (other than interior corridor doors) shall be weather-stripped at top and sides for sound transmission reduction and all wooden entrance doors shall be flush panel. Hollow-core doors may be used for guest unit bathroom doors.
- 700.27 All guest room entrance doors shall be equipped with a lock that is self-locking. The lock shall be electronically activated and must be UL listed (CSA for Canada). All guest room entrance doors shall be equipped with a one-inch bored-in deadbolt lock, designated as Grade 2 type. Deadbolt locks shall be operable only with a latch from the interior and emergency key from the exterior. The emergency key is any instrument specifically designed to open that locking device and should be maintained by the general manager or security of the hotel.

Combination locks with panic features shall function so that the deadbolt cannot be retracted from the outside by the use of a guest key or the master key. The deadbolt shall be retracted from the outside only by the use of an emergency key. The room number shall not be displayed on the key.

Electronically activated locking devices are required and must provide the following features:

All entrance door looksets shall be electronically activated and always remain in the locked position without having to operate an interior spanner button or any similar device. The lockset shall only unlock by the use of a guest, master or emergency key. A key is defined as a key card or any device specifically manufactured to operate the lockset.

The lockset shall be keyed to at least three levels of security - the guest key, the master key (or maid's key in some instances) and the emergency key. The emergency key shall be maintained by the general manager or security of the hotel and the master keys only by assigned hotel staff. All functions, except the fail-safe feature designed to completely override the guest room lockset, should be performed in a non-mechanical manner.

All lock sets shall automatically re-code with each use of a newly assigned guest key, voiding all previously issued guest keys.

Room numbers shall not be displayed on the key.

A fail-safe feature shall be provided to allow entrance to the guest room in the event of a system or power failure.

If battery operated, a low battery warning feature shall be provided at the guest room lockset level.

An audit trail/interrogation feature is required and should be maintained only by the general manager or security staff of the hotel.

An automatic time-out feature is required at the guest room lockset level to void all keys left in the lockset past a predetermined length of time.

- 700.28 All guest room entrance doors are to be equipped with a chain- or bar-type door guard. This door chain/guard should be installed in such a manner that the strength of the attachment is equal to the strength of the chain. The bar-type guard or chain should allow for a maximum door opening of one inch
- 700.29 All guest room entrance doors are to be equipped with one-way door viewers with a minimum of 180-degree viewing. All door viewers are to be metal, not plastic. The viewers should be installed four feet, nine inches from the floor and installed with a substance such as "Lock-Tite" or equivalent, to ensure that it is tamper-proof.
- 700.30 All guest rooms with interconnecting doors shall have two solid-core or metal doors equipped with a lock that is self-locking and a one-inch bored-in deadbolt lock on each door. Locks shall have all metal components. A 1/2 inch bored-in deadbolt may be used on doors with a metal frame. It is recommended that both doors be weather-stripped to minimize sound transmission. A knob on the guest room side of the interconnecting door with a tamper-proof plate on the other side of the door complies with the self-locking requirement. When half-inch deadbolts on interconnecting doors are replaced, it is recommended that they be replaced with one-inch deadbolts.
- 700.31 All sliding doors are to be equipped with a hook lock built-in within the door handle, as well as a secondary locking device. This secondary locking device shall be a safety bar ("charley bar"), a sliding door deadbolt or a pin-type lock. The hook shape is to resist the parting motion of sliding door and jamb. Sliding doors shall be installed to ensure that the sliding panel is on the inside and the stationary panel is on the outside, unless otherwise waived by the Board.
- 700.32 All ground level wooden or metal balcony/patio doors without a walkway shall have a bored-in deadbolt. All wooden or metal private balcony/patio doors above the first floor without a walkway shall have a locking device. All other secondary doors with walkways shall have all required locking devices. A key accessible deadbolt is only required in one entry door.
- **700.33** All guest room windows that open shall provide a lock which secures the window in a closed position.

- **700.34** All public restrooms shall be clean and well-maintained and have sufficient paper and hand washing supplies. Restrooms shall be well lighted and free of offensive odors.
- 700.35 Every Best Western Property shall provide repair and maintenance of all facilities, equipment, machinery, paving, lighting, electrical systems, plumbing, heating, air-conditioning, guest room interior, bathrooms, exterior walls, stairways, swimming pools and equipment, keys and locks, roofs and guttering.
- **700.36** All reports for repair should be made promptly and a system established to make certain that repairs affecting guest comfort, convenience and safety are completed.
- **700.37** Ice machines and vending machines shall be inspected daily by maintenance personnel.
- **700.38** Maintenance or building superintendent should be supervised closely by the general manager; constant checking should be done to make certain normal repair maintenance work is performed promptly.
- **700.39** It should be remembered that maintenance personnel are also guest contact personnel. They should be well-groomed, clean and properly uniformed.
- **700.40** Restaurant, lounges, meeting/banquet rooms and other public areas shall be maintained in good condition and in the highest degree of cleanliness.
- 700.41 All fencing shall be maintained in good condition and in a good state of repair at all times. Painted surfaces shall be free of peeling, excessive cracking (weather checking), or excessive fading of paint. Gates, if provided, shall be likewise in good condition and operable.
- **700.42** A. All Properties that have three (3) stories or more are required to provide an elevator.
 - B. All Properties that use the BEST WESTERN PLUS or BEST WESTERN PREMIER descriptor are required, by June 30, 2015:
 - 1. To provide an elevator at all Properties of two (2) stories or more. It is recommended that the elevator be located near the lobby.
 - 2. The following minimum number of elevators are required at all Properties with two (2) stories or more:

Number of Guest Rooms	Minimum Number of Elevators
1 - 99 Rooms	At Least One (1)
100 - 199 Rooms	At Least Two (2)
200 - 299 Rooms	At Least Three (3)
300 - 399 Rooms	At Least Four (4)
400 - 499 Rooms	At Least Five (5)

- 3. In Properties with four (4) stories or more, even with less than 100 guest rooms, at least two (2) elevators shall be provided.
- 4. If the Property has multiple buildings with guest rooms, at least eighty percent (80%) of all guest rooms must be either: (i) on the first (ground-level) floor; or (ii) serviced by an elevator.

- 5. If a BEST WESTERN PLUS Property is in the top twenty-five percent (25%) of all Properties with respect to percent of "9" and "10" scores for Medallia "Overall Experience" on December 31, 2014, for the prior twelve (12) month period, the BEST WESTERN PLUS Property shall have until June 30, 2017 to comply with the elevator requirements.
- 6. If more than one (1) elevator is required at a BEST WESTERN PLUS Property, the BEST WESTERN PLUS Property shall have until June 30, 2017 to comply with the elevator requirements.
- C. The Board of Directors shall have the authority to grant waivers and extensions based upon good cause shown. The Property shall have the burden of establishing the reasonableness of the waiver or the extension.
- **700.43** Bottled or canned water (spring or mineral water) is to be available to the guest on site 24 hours a day, free or at charge (an acceptable solution is to offer water in a vending machine).

Only where tap water is not safe to drink (as determined by the appropriate regulatory authority), there must be a notice in the room and a minimum of 1 liter of bottled water per day will be provided in the room, free of charge.

700.44 Additional complimentary toiletries shall be available on-site to guests, on request, 24 hours daily, free of charge. The following items, if not provided in guestrooms, shall be available at reception: razor, shaving foam, toothbrush, toothpaste, comb, sanitary napkins (an acceptable solution is to offer sanitary napkins via a vending machine in a public restroom) and sewing kits. The availability of these items is to be noted in the guest service directory.

Chapter VIII

- 800.0 Housekeeping Department
- **800.1** The housekeeper's office and area shall be maintained in a neat, clean and safe manner and be free of refuse and fire hazards.
- 800.2 The housekeeping department office and area shall be adequately supplied; all equipment shall be maintained in good operating condition.
- **800.3** Floor shall be maintained in a good sanitary condition and in an excellent state of repair.
- **800.4** Maids and housemen (regularly employed) shall be neatly uniformed.
- **800.5** When linen shows holes, excessive stains or heavy mending, it shall be removed from service immediately.
- **800.6** In-house laundry is to be maintained in a clean, neat and safe condition and provide good ventilation and lighting.
- **800.7** Floor covering in laundry is optional; tile is recommended as bare concrete stains linens.
- **800.8** Laundry equipment shall be kept clean and in good operating condition. Washers shall be free of corrosion; dryers should be free of excessive lint and properly vented.
- **800.9** Laundry personnel should be properly uniformed.
- **800.10** Every working maid shall have an operable vacuum cleaner in good condition.

- **800.11** Maid carts shall be kept in a good state of repair and be well painted, clean, neat, well organized, properly supplied and free of squeaks or other noises that might disturb guests.
- **800.12** Professional housekeeping procedures shall be followed at all times.

Chapter IX

- 900.0 Guest Rooms and Bathrooms
- 900.1 Guest rooms and bathrooms shall be attractive, comfortable, professionally designed, in good taste and maintained on a daily basis in the highest degree of cleanliness and safety.
- **900.2** Walls, ceilings, windows and sills shall be in excellent condition, clean and free of dust, lint, stains, fingermarks and smudges.
- 900.3 All guest rooms are to be fully carpeted with good quality carpeting. Carpets shall be vacuumed daily; obvious debris and litter shall be removed from under the beds and other furniture. Carpet under beds shall be vacuumed at least weekly.
- **900.4** Rooms shall be free of odor and insects.
- 900.5 Pillows, box springs and mattresses shall be of motel/hotel quality and in good physical condition. Ticking should be free of stains. Pillows should be plump and bed support solid.
- 900.6 Each guest room shall be numbered with easily distinguishable, uniform numbers. Doors, locks, and hardware shall be regularly inspected for easy, efficient operation and good appearance. If any guest room entrance door locks are inoperable, the guest room shall be placed "out of service" and not rented until the lock is repaired.
- 900.7 Guest rooms shall be equipped with adequate furnishings that are attractive, comfortable, in excellent condition and free of dust, lint, fingermarks, smudges and scratches. Furniture should be constantly upgraded to eliminate worn finish or upholstery. Refer to Best Western's Renovation & Refurbishing Guidelines for furnishing requirements per room.
- **900.8** Every bed shall be supplied with clean bedding in good condition, that is free of odor, discoloration and stains. This includes all bedding: bedspreads, blankets, mattress pads, pillow cases and bed sheets
- **900.9** Bedspreads shall be coordinated to guest room décor and be free of snags, tears, holes and frayed edges. Faded or stained spreads shall be removed from service.

Effective January 1, 2010, bed coverings must comply with the following:

- Bedspreads must be coordinated to guest room decor and be free of snags, tears, holes and frays.
- Untucked bed coverings must have finished edges.
- Heatset quilting (polyester fabrics melted together with dots) is not acceptable.
- Faded, worn or stained bed coverings may not be kept in service.
- Undersides of decorative bed coverings (e.g., throws, duvets or coverlets) must be of equal or better quality than the face.

- The length of the bedcovering must allow at least one inch overhang past the top of the foundation or box spring.
- Triple sheeting (bed made with bottom sheet, top sheet covered by blanket or duvet, and third sheet covering the blanket or duvet) is an acceptable alternative to decorative coverings if the ensemble includes a decorative top sheet and another decorative element (scarf or coordinated decorative pillows). If exposed, the top sheet must have a tone on tone damask pattern (stripe, block, or similar), decorative piping, or another enhancement, unless it is a solid color other than white or is patterned.
- The foundation or box spring may not be visible to the guest when the bed is made up.
- 900.10 Effective January 1, 2010, all beds with foundations or box springs must have a decorative covering to conceal the foundation or box spring. Bed frames and legs or bed base must also be concealed unless they are decorative and coordinated with the room furnishings. Acceptable methods of concealment include, but are not limited to, bed skirts/dust ruffles or box spring covers/huggers. All coverings must coordinate with the overall design of the bed covering and room décor.
- **900.11** Guest bedrooms shall have individually controlled thermostats to provide for guest-controlled heating and cooling; units should operate quietly and have clean filters and grills.
- **900.12** Each guest room shall provide one (1) light fixture at the following locations:
 - Each night stand (Two lamps are desirable at the night stand between two double beds. One fixture with two lamps is acceptable.)
 - 2. Games/parsons table
 - 3. Credenza/mirror
 - 4. Desk

Shades and lamps, light fixtures and bulbs shall be dusted daily, and have no frayed cords or stained, bent or broken shades. Adequate lighting shall be provided in all areas of the room. Refer to the Best Western Renovation & Refurbishing Guidelines for adequate lighting requirements per room.

- **900.13** At least one light shall be operated by switch at the entrance door.
- **900.14** Each guest room shall contain one waste basket. (See Chapter X.)
- **900.15** No coin-operated devices of any type will be permitted in any room.
- 900.16 Bedroom draperies shall be in good condition and open and close with cords or pull wands. Drapery rods shall be firmly fastened to wall or ceiling, properly strung and in good operating condition. Refer to Best Western's Renovation & Refurbishing Guidelines for additional drapery specification requirements.
- 900.17 On or before December 31, 2012, all cathode ray tube ("CRT") televisions shall be replaced with televisions that comply with the following Television Guidelines. Flat panel televisions purchased prior to July 1, 2011 that do not meet the following Television Guidelines will be deemed acceptable for BEST WESTERN and BEST WESTERN PLUS hotels until seven (7) years after the original date of manufacture by which time they must be replaced with a television that meets the following Television Guidelines.

TELEVISION GUIDELINES

Any televisions purchased for use in guest rooms must meet the following guidelines with respect to minimum sizes and HD programming in accordance with this Rule 900.17. All televisions shall be commercial grade LCD, LED or plasma flat panel televisions with HDMI, Proidium chip and VGA ports. All measurements are diagonal.

Television Amenity by Descriptor	BEST WESTERN	BEST WESTERN PLUS	BEST WESTERN PREMIER
Guest Room	Minimum one (1) 32" or larger	Minimum one (1) 37" or larger	Minimum one (1) 42" or larger
Suite without full wall and door separator	Minimum one (1) 42" or larger, clearly viewable from both the seating area and the sleeping area; or Minimum two (2) 32" or larger		
Suite <u>with</u> full wall and door separator	Minimum two (2) 32" or larger	Minimum one (1) 37" or larger and one (1) 32" or larger	Minimum one (1) 42" or larger and one (1) 32" or larger
HD Programming Delivery and Display			High Definition (minimum of five channels)

- **900.18** Each guest room shall contain an operating direct-dial telephone and complete dialing instructions.
- **900.19** Each guest room shall contain one current local telephone directory in good condition.
- **900.20** A telephone message pad and a pen or pencil shall be conveniently provided near the telephone in the bedroom and/or sitting room.
- **900.21** An indication is to be provided in each guest room on how to obtain emergency assistance, such as fire, police, ambulance and medical, as well as instruction notices.
- 900.22 Intentionally omitted.
- **900.23** A directory of services shall be provided in each guest room describing the various facilities and services provided by the hotel and the hours such facilities and/or services are available. The location of vending and ice machines shall be noted.
- 900.24 Guest room and bathroom doors should be equipped with doorstops to eliminate noise and damage to walls or fixtures. It is recommended that doors have a stop at top corner of door or a doorknob wall-mounted stop. For bathroom doors, it is recommended that a small rubber bumper be affixed to the bath fixture if door opens against tub or toilet.
- 900.25 The individual Property should advertise in its rooms, in good taste, its own services and promotions. Printed material should be held to a minimum to avoid a cluttered appearance. Any printed material, including endorsements when using the name and/or logo of Best Western, shall contain the current form of logo approved by Best Western. On-premises advertising or promotion of any hotel, motel or resort other than Best Western is prohibited.
- **900.26** Closet/clothes hanger area shall be clean and neat and shall include at least eight matching wooden or permanent hangers, two with skirt clips.

- **900.27** All bathrooms shall provide a tub/shower combination of ceramic or other approved materials with a non-skid surface or device.
- **900.28** Each bathroom shall contain two rolls of good-quality toilet tissue.
- **900.29** Plumbing fixtures and all chrome shall be clean, polished, in good condition and free of tarnish and water spots.
- **900.30** Bathroom tile walls and floors shall be cleaned and dried daily and be free of lint, hair and water spots. Tile grouting shall be clean, in a good state of repair and free of mildew or discoloration.
- 900.31 Vanity/dressing table, mirror and wash basin shall be of modern design, in a good state of repair, cleaned daily and free of soil, water spots and streaks. Vanities shall have at least a seven-inch skirting to conceal exposed plumbing.
- 900.32 Toilet seats and lids shall be clean and sanitary, with no chipped or worn surfaces, bare wood or other composition visible. Seats and lids shall be free of discoloration or stains and not be loose on hinges. Seats shall have required bumper supports. Paper bands are not recommended.
- 900.33 Bathrooms shall contain good quality terry cloth items of proper grade and in recommended amounts. (See Chapter X.) Sufficient towel bars shall be provided to accommodate the required amount of towels and shall be conveniently located for easy access.
- **900.34** Each bathroom shall contain one waste basket. (See Chapter X.)
- **900.35** Shower curtain and rod, tub tracks and glass doors shall be clean and free of soap residue, water minerals and mildew.
- **900.36** Each guest bath shall be supplied with good-quality toilet and facial tissue holders. Facial tissues of standard size shall be provided in permanently mounted holders or in a permanent decorative holder approved by Best Western.
- **900.37** Light fixtures, electric outlets and switches shall be operable and clean at all times.
- **900.38** At least one robe hook should be provided in each bath area.
- **900.39** Kitchen areas and kitchen equipment shall be of modern design and shall be kept clean and in excellent physical condition and appearance.
- **900.40** All bathrooms shall provide adequate ventilation. Window ventilation usually is adequate, but if windows are not available, exhaust vents and fans shall be provided and maintained in an operable condition.
- **900.41** Electric shaver points or outlets near a suitably lit mirror shall be provided.
- **900.42** A hair dryer shall be provided in all guest rooms.
- **900.43** An iron and ironing board shall be provided in each guest room. Tabletop ironing boards are not acceptable. Freestanding wall-mounted units are acceptable. The iron must be full size (not travel size).
- **900.44** Hot and cold running water shall be provided in each guest bathroom.
- **900.45** A laundry bag is to be provided for each guest room.

- **900.46** Mechanical fans shall be available upon guest request if the property does not provide air conditioning in the guest room.
- **900.47** A minimum of 10% of the guestrooms shall have beds with a minimum mattress size of 72 inches by 84 inches (california king) or 76 inches by 80 inches (standard king).
- 900.48 All guest rooms shall be required to have coffee or tea makers with complimentary tea or coffee "packets, bags or filter". Decaffeinated coffee or tea must also be provided. Normal accompaniments, i.e., sugar, sweetener, milk or non-dairy creamer, stirrer are to be provided. Disposable cups or china/ceramic cups shall be provided. Consumables (coffee, tea, accompaniments and cups) must be replenished daily.
- **900.49** Each guest room shall be provided with a clock, (e.g., clock radio).
- 900.50 A dataport facility easily accessable to a desk or work surface shall be provided in each guest room. A dataport facility is defined as a telephone jack available that can accept a phone line and gives access to an outside telephone dialing tone. The jack may be in the wall or on the phone, but should be available to the guest without unplugging any telephone equipment. The dataport may use the same line as the guest telephone.
- **900.51** Guest room televisions shall deliver a minimum of at least eight different channels of programming, including at least one English-speaking channel that includes international news. A 24-hour all-news channel is not required. Further:
 - 1. The television must have good, clear picture and sound.
 - The television must have a remote control and full mute function. The remote control must not be attached to anything.
 - If the television is video-on-demand enabled, it must have clear, easy to follow instructions and the cost should be clearly stated.
 - 4. Televisions on metal pedestal stands are unacceptable.
 - 5. If used, security mountings must be high-quality and inconspicuous
- **900.52** All guest rooms shall have a radio or some other source of music (e.g., portable radio, clock radio, radio on tv, music channel on television or hardwired hotel music system).
- 900.53 Hotels shall have a minimum of 50% of their guest rooms designated as non-smoking. Rooms will be identified with a permanent notice on the guest room external door as a non-smoking room. Rooms will also have at least one notice within the room, identifying the room as a non-smoking room.
- 900.54 No later than April 1, 2009, a reasonably accessible electrical outlet must be professionally installed either (i) by hardwiring it into the wall above the desk or work surface (32" 36" above finished floor), or (ii) in the desk or work surface, or (iii) in the desk or (iv) by providing a work surface lamp that has an outlet conveniently integrated in its base. If no desk is provided, one reasonably accessible, unused outlet must be located within 6' of the parsons or activity table.

Chapter X

1000.0 Logo Items and Room Supply Requirements

- **1000.1** Following are the minimum allowable room supply requirements:
 - A. Two (2) tumblers per bed. Tumblers shall be sanitized in accordance with applicable government regulations. Sanitized glasses shall be placed in an approved glass bag. Alternatively, the top and rim of the glass may be covered with approved shrinkwrap plastic or a fitted heavy paper glass cap. When disposable glasses are used, they shall be pre-sanitized and pre-wrapped.
 - B. Each guest bathroom shall offer 2 bars of packaged soap in the shower/tub and basin/vanity area. Minimum requirements are at least one 3/4 size bar (2 1/2" x 1 1/2" x 1/4" or .6 ounces) and one 1 1/2 size bar (3" x 1 3/4" x 1/2" or 1.2 ounces). A Best Western approved soap dispenser and dispensed product are allowed in the bath area in lieu of a bar of soap provided a 1 1/2 size facial bar is available at the vanity area. It is recommended that a 1 1/2 size deodorant bar be provided in the bath area.

Each guest bathroom shall offer bottled shampoo (packet/sachets not acceptable) or a conveniently located shampoo/shower/bath gel dispenser.

Extra soap and/or shampoo shall be available upon request.

- C. One (1) ice bucket per room (3 gt. minimum).
- D. Two (2) waste baskets per room, one to be placed in the vanity area (at least one waste basket should be a minimum 13 qt. size).
- E. "Do not disturb" device or sign for each room.

1000.2 The following minimum guest room linen standards are prescribed:

Bath terry:

1 cloth bath mat (bath towel may be substituted). Bath terry to be constructed with a minimum of 86% natural fiber, e.g., cotton, bamboo, etc. Ring Spun fiber preferred. Dobby border preferred. Minimum weight per dozen: 6.9 lbs.

Room with one bed:

- 2 bath towels. Minimum size: 25" x 52". Minimum weight per dozen: 12.0 lbs.
- 2 hand towels. Minimum size: 16" x 27". Minimum weight per dozen: 3.0 lbs.
- 2 face cloths. Minimum size: 12" x 12". Minimum weight per dozen: 1.0 lbs.
- The sizes listed above are to be measured on new product before shrinkage.

Room with two beds:

- 3 bath towels. Minimum size: 25" x 52". Minimum weight per dozen: 12.0 lbs.
- 3 hand towels. Minimum size: 16" x 27". Minimum weight per dozen: 3.0 lbs.
- 3 face cloths. Minimum size: 12" x 12". Minimum weight per dozen: 1.0 lbs.
- The sizes listed above are to be measured on new product before shrinkage.

Bedroom linens:

EFFECTIVE UNTIL JUNE 30, 2012:

- 1 mattress pad per bed.
- 2 sheets per bed (minimum T-200 percale minimum 50 percent cotton. Tone-on-tone pattern matching the pillowcases preferred, single pick preferred). Bed may be triple-sheeted with a fitted sheet on the mattress of an appropriate size to fit the mattress.
- 1 blanket per bed.

EFFECTIVE JULY 1, 2012:

Mattress Pad Requirement:

Each bed shall have a mattress pad.

Sheeting Requirements:

Each bed shall be triple sheeted, or double sheeted with washable duvet cover with removable insert as further defined.

Triple sheeting is defined as making up a bed with:

- a. A compliant minimum T-200 first (bottom) sheet, either fitted or flat;
- b. Topped with a second (middle) sheet beneath which the guest will typically sleep;
- c. Topped with a compliant blanket appropriate to the descriptor; and
- d. Topped with a third (top) sheet as described below as appropriate to the descriptor.

Double sheeting with washable duvet cover and removable insert is defined as:

- a. A compliant minimum T-200 first (bottom) sheet, either fitted or flat;
- b. Topped with a second (middle) sheet beneath which the guest will typically sleep; and
- c. Topped with a washable duvet cover with a compliant blanket insert.

Decorative Element Requirements:

At BEST WESTERN descriptor hotels, triple sheeting is acceptable with the third (top) sheet exposed:

- a. Provided the bed has an additional decorative element. Acceptable elements include the addition of a decorative pillow (throw or bolster style), or a scarf.
- b. The third (top) sheet must be decorative in nature, e.g., tone on tone stripe, tone on tone block, festooned, etc.

At BEST WESTERN PLUS descriptor hotels, triple sheeting is acceptable with the third (top) sheet exposed:

- a. Provided the bed has two (2) additional decorative elements, e.g., the addition of a decorative pillow and a scarf.
- b. The third (top) sheet must be 100% polyester jacquard or matelasse patterned fabric with a minimum weight of 6 oz./sq. yd.; may be white or colored.

At BEST WESTERN PREMIER descriptor hotels, triple sheeting is acceptable with the third (top) sheet exposed:

- a. Provided the bed has two (2) additional decorative elements, e.g., the addition of a decorative pillow and a scarf.
- b. The third (top) sheet must be 100% polyester jacquard or matelasse patterned fabric with a minimum weight of 6 oz./sq. yd.; may be white or colored.
- c. The blanket between the second (middle) sheet and the third (top) sheet must be down, synthetic down, or duvet blanket.

Pillows:

A minimum of 3 pillows are required on a full size or smaller bed; and a minimum of 4 pillows (standard size) are required on a Queen or King Size Bed, with all pillows to be enveloped in a pillow protector, and a pillowcase which is manufactured with minimum T-250 (250 threads per square inch) percale with a minimum of 50 percent cotton content. All pillows must meet Best Western specifications.

Additional decorative pillows may be used as a supplement to, but not in lieu of, the required quantity of pillows.

The pillows shall be of the following minimum standard: Fiber type 6 denier per filament, polyester fiber clusters comprised of a blend of hollow low void, high void and antimicrobial fibers with a cluster cohesion of less than 6.0 Newtons, 100% cotton T-180 ticking with the following size and weight of fill specifications:

	Required
Size	Medium Support
Standard 20"x 26"	22 oz
Queen 20"x 30"	27 oz
King 20"x 36"	33 oz

If you choose to provide gentle and/or firm pillows in addition to the MEDIUM SUPPORT pillows described above, the following specifications apply. The pillows shall be of the following minimum standard: Fiber type 6 denier per filament, polyester fibers cluster comprised of a blend of hollow low void, high void and antimicrobial fibers with a cluster cohesion of less than 6.0 Newtons, 100% cotton T-180 ticking with the following size and weight of fill specifications:

	Optional	Optional
Size	Gentle Support	Firm Support
Standard 20"x 26"	20 oz	24 oz
Queen 20"x 30"	25 oz	29 oz
King 20"x 36"	31 oz	35 oz

The law tag must be affixed to all pillows as required, for compliance and to fulfill assessment requirements.

• Bedding includes: bedspreads, blankets, mattresses pads, pillow cases and bed sheets which are of proper size for the box spring and mattress on which they are used.

- **1000.3** All Members shall choose a minimum of 3 items for use at the Property that shall bear the approved Best Western logo.
- **1000.4** A minimum of three logo items are to be displayed in the public areas in addition to signage.
- **1000.5** If in-room stationery is provided, it shall comply with the Brand Identity Manual.

Chapter XI

1100.0 Violations and Sanctions

- 1100.1 If a Member Property is operated, managed or maintained in a manner that results in violations, deficiencies or infractions of applicable Bylaws, Rules and Regulations, New Construction Guidelines, Renovation & Refurbishing Guidelines, or orders or directives issued by the Board, the Member Property may be placed on probation.
- 1100.2 Probation involving inspection deficiencies requires receipt of an inspection report or a Guest Rooms/Public Areas Condition Report made by a Best Western Regional Service Manager indicating the Property has scored below the minimum of 800 points. Written notice shall then be sent to the Member by certified mail with a copy of the inspection report, requiring correction of the deficiencies noted on the inspection report or a Guest Rooms/Public Areas Condition Report within a specified period.
- **1100.3** A Property, once placed into probationary status, will remain in that status until such time as a Guest Rooms/Public Areas Condition Report score equals or is greater than 800 points, until the reason for the probation has been cured or until cancellation of the Membership.
- **1100.4** When failure to maintain Property to Best Western standards results in probation, a fee established by the Board may be assessed to cover the cost of the field staff inspection.
- 1100.5 If a Member fails to pay dues or other fees or assessments (other than Annual Dues) within the time period provided for in the Bylaws, Rules and Regulations or orders or directives issued by the Board, and if such dues, fees or assessments remain unpaid for thirty (30) days after the date of written notice of delinquency is sent to the Member by Best Western Headquarters, or no other satisfactory arrangement has been made for liquidation of the indebtedness, the Board may cancel the Membership pursuant to Article II, Section 8(C) and (D) of the Bylaws and Chapter XII of these Rules and Regulations. This section does not govern automatic termination of Membership for failure to pay Annual Dues by September 15, which is dealt with in Article II, Section 2(B)(2) of the Bylaws, and does not limit the Board's option to restrict services under Rule 1100.8.
- 1100.6 If a Member fails to conform to the obligations or meet the standards set forth in the Bylaws, Rules and Regulations, New Construction Guidelines, Renovation & Refurbishing Guidelines, or orders or directives of the Board, the Board may cancel the Membership pursuant to Article II, Section 8 of the Bylaws and Chapter XII of the Rules and Regulations.

- **1100.7** If a Member Property is operated, managed or maintained in a manner that results in:
 - A. Receipt of two (2) consecutive inspection scores or Guest Rooms/Public Areas Condition Report scores which are below 800 points;
 - B. Receipt of two (2) inspection scores or Guest Rooms/Public Areas Condition Report scores less than 800 points during any 18-month period;

C. Receipt of three (3) inspection scores or Guest Rooms/Public Areas Condition Report scores less than 800 points during any 24-month period;

D. Receipt of a single inspection score or Guest Rooms/Public Areas Condition Report score below

the Board may cancel the Membership pursuant to Article II, Section 8 of the Bylaws and Chapter XII, Paragraph 1200.2(E) of the Rules and Regulations.

- 1100.8 Where grounds exist for termination of Membership, the Board or its designee may, in addition to any other remedy, restrict any or all Membership services. During an administrative restriction, full fees continue to accrue.
- The Board shall establish a program automatically restricting Properties on the Best Western reservation system when they score below 600 points on a Guest Rooms/Public Areas Condition Report. The Property will remain restricted subject to the Property's status being determined by the Board.

Chapter XII

1200.0 Procedure for Cancellation of Membership

- **1200.1** A. Unless payment in full is received within the time specified or other satisfactory arrangements are made to liquidate the delinquent indebtedness contained in a notice sent to a Member pursuant to paragraph 1100.5 of Chapter XI of these Rules and Regulations, the President and Chief Executive Officer or his designee shall send to the Member by certified mail notice containing the following information:
 - 1. Statements of amounts delinquent;
 - Nature of charges;
 - 3. Citation of the Bylaws, Rules and Regulations, New Construction Guidelines, Renovation & Refurbishing Guidelines, or orders or directives of the Board upon which the nature, amount and delinquency of the charges are based; and
 - 4. Notification that the Board will consider the cancellation of the Membership and that a written demand for a hearing to show cause why the Membership should not be cancelled shall be received by the President and Chief Executive Officer or his designee by certified mail within fifteen (15) days after mailing of this notification.
 - B. Failure to make timely written demand for a hearing shall be deemed consent by the Member to any action taken by the Board with respect to cancellation of the Membership.

C. If the Member makes timely written demand for a hearing, the provisions of paragraphs 1200.3 and 1200.5 of this chapter shall apply.

- 1200.2 A. If the President and Chief Executive Officer or his designee believes a Member is in violation of Article II, Section 8(A)(2) or 8(A)(3) of the Bylaws or paragraph 1100.6 of these Rules and Regulations, and the violation is such that a corrective period is allowed, he or his designee shall send written notice of such violation to the Member by certified mail, return receipt requested. The notice shall specify in detail the violations charged to exist and the facts believed to support the charged violations, and shall cite the Bylaws, Rules and Regulations, New Construction Guidelines, Renovation & Refurbishing Guidelines, or orders or directives of the Board charged to have been violated. For alleged violations of paragraph 1100.7, or violations for which no corrective period is allowed, compliance with this notice provision is not required.
 - B. The Board, by policy, may from time to time establish time periods during which the charged violations may be corrected to avoid further action. Any period for correction shall in no event exceed sixty (60) days from the date of notification provided for in rule 1200.2(A). If the alleged violations contained within the notice to the Member are subject to corrective period, said period shall be stated in the notice.
 - C. Within twenty-one (21) days after the mailing of the notification of violation, the Member shall make written answer to the charges, which shall be sent by certified mail to the President and Chief Executive Officer or his designee. The answer shall state specifically whether the charged violations will be corrected within the prescribed corrective period or whether the existence of the charged violations is challenged. If the charged violations have been corrected within the twenty-one (21) days, the answer shall so specifically state. Additionally, if corrective action may still be taken within the established corrective period, the Member shall notify Best Western when the charged violations have been corrected. Such notification shall be mailed no later than the last date of the corrective period.
 - If the President and Chief Executive Officer or his designee, upon receipt of Member's written answer, determines that the violations originally charged do not exist, have been satisfactorily corrected, or will be corrected within the prescribed corrective period, no further action on the part of the Member or Best Western is required. In the event the Member does not correct the charged violations within the prescribed corrective period and notify Best Western in writing of such event, or if the charged violations have not been corrected to Best Western's satisfaction, then the President and Chief Executive Officer or his designee shall give notice to the Member by certified mail, return receipt requested, that grounds for cancellation exist. The notice shall contain:
 - Statement of the specific violation that has not been satisfactorily corrected;
 - Statement of the facts upon which the violation charged is based;

- 3. Citation of the Bylaws, Rules and Regulations, New Construction Guidelines, Renovation & Refurbishing Guidelines, or orders or directives of the Board charged to be violated; and
- 4. Notification that the Board will consider the cancellation of Membership and that any written demand for a hearing to show cause why the Membership should not be cancelled shall be received by the President and Chief Executive Officer or his designee by certified mail within fifteen (15) days, or such shorter period as may be set by the President and Chief Executive Officer or his designee by certified mail within fifteen (15) days, or such shorter period as may be set by the Board under Article II, Section 8(D) of the Bylaws, after mailing of this notification.
- E. In the case of violation of Chapter XI, paragraph 1100.7, or in the case of a violation for which no corrective period is allowed, the President and Chief Executive Officer or his designee shall notify the Member, by certified mail, return receipt requested, that grounds exist for cancellation of the Membership which are not subject to corrective action. The notice shall contain the information required under subparagraph (D)(2), (3) and (4) of this section.
- F. If the Member fails to make timely answer to the notification by the President and Chief Executive Officer or his designee provided for in paragraph (A) of this section, the President and Chief Executive Officer or his designee shall cause a written notice to be sent to the Member containing the items set out in subparagraphs (1), (2), (3) and (4) of paragraph (D) of this section. Failure to make timely written demand for a hearing shall be deemed consent by the Member to any action taken by the Board with respect to cancellation of the Membership.
- A. If a Member makes timely written demand for a hearing as provided in paragraph (C), Section 8, Article II of the Bylaws, a hearing shall be held by the Board within sixty (60) days after receipt by the President and Chief Executive Officer or his designee of such demand. The President and Chief Executive Officer or his designee shall notify the Member in writing, by certified mail, return receipt requested, no fewer than fifteen (15) days before the hearing, that a hearing will be held, specifying the place, date and time for such hearing.
 - B. At the time of making written demand for a hearing by the Board, the Member may make written answer to the charged violations with the answer being sent to the President and Chief Executive Officer or his designee in the same manner as the demand for hearing, and which answer shall fairly meet the charges.
 - C. The Board may provide a lesser notice and opportunity to be heard prior to cancellation of a Membership as provided in Article II, Section 8(D) of the Bylaws.
- **1200.4** A. Upon failure of the Member to make written demand for a hearing, the Board may thereafter at any time cancel the Membership in accordance with paragraph (C) of Section 8, Article II of the Bylaws.

- B. Failure by the Member to make timely demand for a hearing shall relieve the Board of entertaining any oral argument during the Board meeting, if any, dealing with the matter of the Member's cancellation. Such failure will not, however, permit the Board to dispense with the presentation of evidence or argument to support cancellation of Membership or relieve the Board of any obligation to consider:
 - 1. Any written response received by the Board or by the President or Chief Executive Officer or his designee:
 - (a) not later than fifteen (15) days before said Board meeting; or
 - (b) before transmittal of the matter of the Member's cancellation to the Board members if consideration of the matter and vote thereon is by mail or;
 - 2. Any correspondence or other written matter between the Association and the Member dated no later than thirty (30) days after the mailing of the notification by the President and Chief Executive Officer or his designee required under Article II, Section 8 of the Bylaws.
- **1200.5** In cases in which the Member has been granted a hearing pursuant to a timely written demand, the following rules shall apply:
 - A. Only persons having a direct interest in the cancellation proceeding shall be entitled to attend, although the Board, in its discretion, may permit such other persons to attend under such conditions as the Board may determine.
 - B. Any party to the cancellation proceeding may be represented by counsel, but if the Member intends to be so represented, the name, address and telephone number of his counsel shall be provided to the President and Chief Executive Officer or his designee in writing no fewer than three (3) days before the scheduled hearing.
 - C. No fewer than three (3) days before the scheduled hearing, there shall be provided to the President and Chief Executive Officer or his designee by or on behalf of the Member, a written statement containing the following:
 - 1. Names and addresses of witnesses, if any, the Member intends to call at the hearing;
 - 2. Documentary evidence or exhibits, if any, to be introduced by the Member;
 - 3. Any special requests;
 - 4. Statement of issues to be presented to the Board as the Member may anticipate; and
 - 5. Any offer of compromise.
 - D. At or before the hearing, the President and Chief Executive Officer or his designee will present to each member of the Board a written statement containing the following:
 - 1. Name and address of the Member;
 - 2. Name and address of the Member's Property;
 - 3. Nature and character of the uncorrected violations charged as grounds for cancellation;

- 4. Detailed statement of facts upon which the charged violations are based;
- 5. Citation of the Bylaws, Rules and Regulations, New Construction Guidelines, Renovation & Refurbishing Guidelines, or orders or directives of the Board charged to be violated:
- 6. Listing of correspondence or other communications between the Association and the Member relating to the violations charged, with a copy of each attached;
- 7. Recommended action to be taken by the Board: and
- 8. Statement of all sums due and owing from the Member to the Association and all sums due and payable.
- E. The order of proceeding during hearings shall be as determined by the Board, provided the Member has a full and fair opportunity to present relevant and material evidence in support of his position. The burden of proof of charged violations sufficient to justify cancellation of Membership and of compliance with the procedures required by the Bylaws and these Rules and Regulations shall be upon the Association.
- The Board shall be the sole judge of the relevancy and materiality of proffered evidence; conformity to legal rules of evidence shall not be required. All evidence shall be taken in the presence of all of the parties, except any party who has been given notice of the hearing and who fails or refuses to attend other than by reason of exclusion from the hearing by the Board, unless such exclusion is based upon gross and disruptive misconduct at the hearing. In the event a party is excluded for gross and disruptive misconduct, the Board shall make a specific finding of such misconduct before ordering the party's exclusion from the hearing. The Board may, in its sole discretion, receive and consider evidence by way of affidavit, written statement or letter or telephone call, but shall give such evidence only such weight as the Board deems appropriate.
- G. Whenever the Board deems it necessary to view and inspect the Member Property, it shall advise the Member of its intention and of the date and time that the inspection shall take place. Whenever the Member requests that any inspection be made, the Board in its sole discretion may grant or deny the request; in the event the Board shall agree to make an inspection, the Member shall pay, in advance, all the expenses incurred by the Board members.

- H. Any inspection made under this rule may be made by one or more members of the Board as directed by the Board. Any interested party may be present at such inspection.
- I. A hearing on cancellation may be reopened at the sole discretion of the Board at any time before a final decision is rendered. A rehearing may be granted at the sole discretion of the Board and upon such terms and conditions as the Board may direct, provided that written petition for rehearing, specifying the grounds for the petition, shall be sent to the President and Chief Executive Officer or his designee by certified mail within fifteen (15) days of the date notice of the final decision of the Board is mailed to the Member.

Chapter XIII

1300.0 Procedure for Termination of Contingently-Approved Applicants

00.1 Contingently-approved applicants are subject to termination of approval, as specified by rule 1300.2, for any violation of the Rules, Bylaws or Board policies which would constitute grounds for placing a Member on probation or grounds for terminating a Membership. By way of example, without limitation, a contingently-approved Applicant is subject to termination of approval, as specified by rule 1300.2, for

- A. receipt of a single inspection score below 800 points;
- B. receipt of customer complaints, during a single six-month monitoring period, in excess of the maximum number permitted by rule 500.43; and
- C. failure to strictly and timely comply with each and every condition of approval. The Board may, as a condition of approval, impose stricter standards on contingently-approved Applicants.
- 1300.2 Where grounds for termination exist, the Board may summarily terminate approval of a contingently-approved Applicant or may impose additional or stricter conditions of approval. A contingently-approved Applicant shall have no right to probation, no right to hearing and no right to vote until full Membership has been granted.

Member-Approved Ballots

The following are Ballots that were approved by the Best Western Membership but are not part of the Articles of Incorporation, Bylaws or Rules and Regulations. These Member-approved ballots apply to every Member in that they are Regulatory Documents as defined by Article I of the Bylaws.

AAA/CAA Official Appointment

Approved February 2009 – Beginning April 1, 2009, Best Western will annually renew each Member's American Automobile Association/Canadian Automobile Association (AAA/CAA) Official Appointment on behalf of the Member and add the cost to the Member's Best Western monthly statement.

Approved December 2006 – To approve the requirement that each North American Best Western Property which has not received a BWI exemption, shall receive designations as (1) a AAA/CAA designated Diamond-rated property, and (2) a AAA/CAA Official Appointment property, by December 31, 2007. Each North American Property shall maintain these AAA/CAA designations in accordance with the Compliance Rules set forth in the Proposal Explanation, throughout the term of its Best Western Membership, unless notified by BWI's President that the AAA/CAA designation(s) is not required.

NOTE: The Exemption Rules set forth in the Ballot's Proposal Explanation are as follows:

Exemption from Compliance Rules:

Any Property which has received a statement in writing from AAA/CAA that it is not eligible for consideration as a AAA/CAA designated Diamond-rated hotel property may apply for, and upon submission of the AAA/CAA statement of ineligibility to BWI may receive, an exemption from the Compliance Rules described below ("Exemption"). By way of example, a Property which has received a statement from AAA/CAA that the Property is ineligible for consideration because it is a "Historic Property", listed on the National Register of Historic Places, may apply to BWI for and may receive an exemption from the Compliance Rules. Exemptions will not be granted for any failure of a Property to obtain AAA/CAA approval by reason of a failure to maintain quality standards or the like.

NOTE: The Compliance Rules set forth in the Ballot's Proposal Explanation are as follows:

Compliance Rules:

- All Properties which are designated as AAA/CAA designated Diamond-rated properties on December 31, 2006, shall be required to obtain OA designation by December 31, 2007.
- All Properties which are not designated as AAA/CAA designated Diamond-rated properties by or on December 31, 2006, and which have not received an Exemption, shall be required to obtain AAA/CAA Diamond-rated designation and OA designation by December 31, 2007.
- All Properties which are AAA/CAA designated Diamond-rated properties and are OA properties on December 31, 2007, shall be required to maintain a AAA/CAA designated Diamond-rated designation and OA designation throughout the term of their Best Western Membership, unless the Voting Member for that Property receives a communication, signed by the President of BWI, stating that AAA/CAA Diamondrated designation and/or OA designation is no longer a requirement of Membership for that Property.

Advertising Assessment

Approved December 2007 – To approve an increase of USD 8.84 cents per room per day to the existing advertising assessment of USD 16.24 cents per room per day for the North American advertising media budget. This new assessment will total USD 25.08 cents per room per day, beginning February 1, 2008, and continuing through December 31, 2011.

Approved December 2010 – The advertising assessment approved by the Membership in December 2007 is amended such that:

- Each Best Western Property shall to be assessed \$11.00 (USD) per room per month, with an effective date of February 1, 2011 and continuing through December 31, 2014; and
- b. The Board of Directors shall have the authority to increase the advertising assessment once each fiscal year, with no such annual increase exceeding the greater of (1) two percent (2%) of the prior year's assessment, or (2) the rate of inflation for the previous year as measured by the United States Bureau of Labor Statistics Consumer Price Index (all items for all urban areas), effective December 1, 2011.

Approved November 2012 – The advertising assessment approved by the Membership in December 2010 shall be amended such that it does not have an expiration date.

Best Western Rewards® Program

(Formerly Gold Crown Club International ("GCCI"))

Approved December 21, 2011 – Members shall award Best Western Rewards ("BWR") program points, miles or partner rewards to a BWR participant for all rooms with qualified rates, up to a maximum of ten (10) rooms, when paid for by a BWR participant and when associated with the BWR participant's stay at the Property.

Approved February 2009 – Effective April 1, 2009, establish a new Free Night Award (FX Rate) reimbursement structure where hotels will be compensated as follows:

- (i) if the occupancy of the Property is 95% or greater when the FX room night is redeemed/consumed (including no-show billings, comped rooms and outof-order rooms), the Property will be reimbursed at 90% of the Property's average daily rate ("ADR"), and
- (ii) Properties running less than 95% occupancy when the FX room night is redeemed/consumed will be reimbursed at the greater of 30% of the property's ADR or US\$30.00.

No fees (including Travel Agent commission, Best Western Rewards (BWR) assessment, GDS fees and Lynx fees) will be charged on Free Night Award (FX Rate) reimbursement.

Approved June 2008 – Effective April 1, 2009, require Best Western hotels to provide 2% of total rooms for Free Night Award redemption (FX Rate). If this 2% Free Night Award redemption inventory is not sold and the hotel has already sold 98% of its rooms, this 2% of run-of-house room inventory would be available to the hotel to sell. For example, a 100-room hotel will set aside 2 run-of-house rooms under this requirement for Free Night Award redemption. If these

2 run-of-house rooms are not booked for Free Night Award redemption and the hotel has already sold 98 rooms, these 2 run-of-house rooms would be available for the hotel to sell to a paying customer unless a GCCI member requests a GCCI Free Night Award redemption first.

The number of available rooms will be rounded if 2% is a fractional number.

Best Western Rewards® (BWR®) Elite Member Property Recognition Program

Approved November 2012 – Effective January 1, 2013, or as soon afterwards as is practicable and upon reasonable notice to the Membership:

Best Western Properties shall provide minimum Best Western Rewards ("BWR") recognition to BWR members in the Platinum, Diamond, and our new Top Elite Tier (name TBD) categories ("Elite Members") as required by the Best Western Rewards Property Recognition Program (the minimum BWR Elite Member recognition requirement being a snack and beverage or 250 bonus BWR points per stay).

If a Property does not satisfy the minimum BWR Elite Member recognition requirement of a snack and beverage or 250 bonus points per stay, the following shall occur:

When complaints are received at Best Western
Headquarters with reference to a particular Property
and the BWR Elite Member recognition requirement,
Best Western Headquarters shall have the authority
to resolve the matter upon the first contact, and the
Property will be charged a fee according to the
following schedule:

Property	Hotel Size	Hotel Size	Hotel Size	Hotel Size
Cost Per	1 - 50	51 - 100	101 - 150	151 - 200
Complaint	Rooms	Rooms	Rooms	Rooms
Free	First 3	First 4	First 5	First 6
	Complaints	Complaints	Complaints	Complaints
\$30 Each	Complaints	Complaints	Complaints	Complaints
	4 - 8	5 - 10	6 - 12	7 - 14
\$60 Each	Complaints	Complaints	Complaints	Complaints
	9 - 12	11 - 15	13 - 18	15 - 21
\$100 Each	Complaints	Complaints	Complaints	Complaints
	13 & over	16 & over	19 & over	22 & over

 In increments of 50 additional rooms over 200, Properties will receive one additional free complaint, one additional \$30 complaint, and one additional \$60 complaint. The number of complaints shall be measured in each Best Western fiscal year.

Enhanced General Manager Training Requirements

Approved November 2012 – Effective January 1, 2013, or as soon afterwards as is practicable and upon reasonable notice to the Membership:

All Best Western General Managers shall be required to satisfy all Best Western General Manager Professional Development ("GMPD") Program requirements.

New General Managers, defined as the individual responsible for every day operations at the hotel, shall

be required to complete an on-line examination and complete the appropriate level of GMPD training. The results of the on-line examination shall determine if the General Manager enrollee is required to participate in the Level 1 GMPD Training Program or the Level 2 GMPD Training Program.

The Level 1 GMPD Training Program shall require successful completion of:

- 1. A pre-requisite on-line course prior to attending the Best Western Level 1 GMPD Training Program;
- 2. A 5-day leadership training course; and
- 3. A 5-day orientation/operations course

The Level 2 GMPD Training Program shall require successful completion of a 5-day orientation/operations course.

If a General Manager enrollee is required to successfully complete the Level 1 GMPD Training Program, the 5-day orientation/operations course must be successfully completed within ninety (90) days of being hired as a General Manager, and the 5-day leadership training course must be successfully completed within six (6) months of being hired as a General Manager.

If a General Manager enrollee is required to successfully complete the Level 2 GMPD Training Program, the 5-day orientation/operations course must be successfully completed within ninety (90) days of being hired as a General Manager.

Hotels shall be responsible for the costs associated with General Managers attending each 5-day course on a costrecovery basis.

Continuing Education

All Best Western General Managers shall earn a minimum of 2 professional development points per year and 8 professional development points over a 3-year period. Points may be earned as follows:

One point for:

- Attending a full-day General Manager Professional Development continuing education training program;
- Attending the Annual Best Western Convention;
- Attending a Best Western Education & Training or Best Western corporate staff led full-day training program; or
- Successfully completing a Best Western Education & Training certified online course curriculum, including approved partner online content (e.g., American Hotel & Lodging Association Educational Institute ("AH&LA EI"), eCornell, Mindleaders, etc.).

A full-day is considered 6 or more hours of training. One-half (½) point can be earned for programs between 3 and 6 hours in length.

The Board of Directors shall have the authority to approve additional courses for continuing education credits.

If a General Manager obtains an AH&LA EI CHA or CLM designation, or a similar designation as approved by the Board of Directors, during any three-year period after successfully completing the required GMPD course, the continuing education requirement for the then current three-year period will be considered fulfilled as long as the designation is maintained.

High-Speed Internet Access

Approved April 2006 – To require free high-speed Internet access (HSIA) at each North American Best Western Property by 11/30/06 (1) in each guest room (100%), and (2) in some public areas. All current HSIA standards, specifications and non-compliance procedures will continue to be in effect, as modified from time to time by the Best Western International, Inc. Board of Directors.

Approved January 2004 – To require high-speed Internet access (HSIA) at each North American Best Western Property by 9/01/04, and to require implementation of the Property terminal unit (PTU) replacement project at each North American Best Western Property for completion by 6/01/04. All guest room and some public area HSIA access must be free, and must be provided in at least 15% of the guest rooms and some public areas. The current specifications follow. Specifications may be modified from time to time by the Best Western International, Inc. Board of Directors.

NOTE: Contact Best Western International, Inc. for the current specifications.

Performance-Based Advertising Initiative

Approved November 2012 – Effective February 1, 2013, or as soon afterwards as is practicable and upon reasonable notice to the Membership:

With regard to "Digital Opportunities" only, each Best Western Property shall pay a ten percent (10%) commission on each consumed stay. "Digital Opportunities" shall include: Google Hotel Price Ads, Paid Search (e.g., sponsored advertisements on search engines such as Google, Bing, Yahoo, etc.), TripAdvisor Check Rates, TripAdvisor Business Listings Program, and future digital marketing channels and opportunities. This commission shall only apply to commissionable rates booked directly through a Digital Opportunity.

Photographs and Virtual Tour Requirements

Approved June 29, 2011 – All Best Western Properties shall display and maintain professional-quality photographs of their Properties on bestwestern.com that are less than three (3) years of age such that they properly reflect the Property's condition and amenities being offered. Virtual tours displayed on bestwestern.com must be consistent with the photographs. The effective date shall be February 1, 2012.

Rate Levels System Enhancement

Approved June 29, 2011 – The Rate Level System Enhancement as set forth in the Ballot Proposal (as set out below), with an effective date of December 1, 2011, or as soon afterward as the technology implementation is achievable; and authorization for the Board of Directors to approve future improvements to rate levels.

- All LYNX rate plans will be organized into Rate Levels. Each rate plan will be linked to one Rate Level and that Rate Level will determine whether the rate plan is available or not.
- 2. The first Rate Level will represent BAR. All standard LYNX rate plans with Last Room Availability ("LRA") will be linked to BAR. The BAR Rate Level will have both individual room type and total room counters which can be adjusted by the Property. The BAR Rate Level will have the full range of status

- conditions currently supported for rate plans, which can be adjusted by the Property. Members may choose to link other rate plans with BAR at their discretion.
- 3. There will be 7 additional Rate Levels. Each Rate Level will have both individual room type and total room counters which can be adjusted by the Property. Each Rate Level will have the full range of status conditions currently supported for rate plans, which can be adjusted by the Property. The Member may use any number of Rate Levels beyond BAR up to 7 additional levels for a total of 8. The Member can name each Rate Level and determine which rate plans are linked to which Rate Level.
- Once Rate Levels are implemented for a Property, the Property will no longer be able to manipulate availability for an individual rate plan in LYNX; rather, the Property will manipulate availability for a Rate Level.
- Members will be able to change the Rate Level link for any rate plan except those LRA plans automatically linked to BAR.
- Members will continue to manage blackout dates, for those LRA plans which permit blackout dates, as they do today.
- 7. The FX plan, and other minimum allocation plans, will be linked to BAR. However, Members will continue to manage minimum allocation as they do today.
- 8. The Property will continue to manage rates as they do today. The implementation of Rate Levels will not impact how rates for rate plans are managed. Both static rate plans and percentage-off plans can and will be linked by the Member to a Rate Level.
- The Property will be provided an ability to view and adjust availability for Rate Levels through Member Web as part of the Rate Level implementation.
- 10. The Property will be provided an ability to view and adjust availability for Rate Levels through their Two-Way PMS on or after the date of implementation, as soon as is practicable, depending on the development and upgrade schedule for each PMS vendor. Rate Levels will not otherwise alter the functionality of the individual Two-Way PMS.
- 11. Members will be provided the ability to: name their Rate Levels; change Rate Level names; associate rate plans with Rate Levels; and change those associations. This may initially be provided manually through EDS but ultimately will be provided through Member Web or a similar electronic solution.

Rate Program – Chain and Consortia

Approved December 2006 – To approve the requirement that all North American Properties participate in the Best Western Chain & Consortia Marketing Program, administered in accordance with the Chain & Consortia Marketing Program Terms and Conditions, and Compliance Rules. Each Property would be required to pay a maximum fee of \$1.00 for each net room night reservation received by that Property. This Program would commence on January 1, 2007, and would continue unless terminated by BWI in accordance with the Program Terms and Conditions set forth in the Proposal.

NOTE: The Program Terms and Conditions set forth in the Ballot's Proposal are as follows:

Chain & Consortia Marketing Program Terms and Conditions:

- No Chain & Consortia Partner will be eligible to participate in the Program unless it has generated at least \$1 million dollars in net reservations value for the Properties during the previous year, as calculated based on the reservations value of net bookings received by the Properties through the Best Western LYNX central reservation system.
- For AMERICAN EXPRESS and CARLSON WAGONLIT TRAVEL, as Chain & Consortia Partners participating in the Program, the Properties shall pay a fee of USD \$1.00 for each net room night reservation received, commencing January 1, 2007. This fee shall replace any other participation fee(s) previously paid by the Properties or BWI for participation in the AMERICAN EXPRESS and CARLSON WAGONLIT TRAVEL programs.
- For other Chain & Consortia Partners participating in the Program, Properties shall pay a maximum fee of USD \$1.00 for each net room night reservation received from that Chain & Consortia Partner. This fee amount may be lower for certain Chain & Consortia Partners, but shall not be higher than USD \$1.00 for each net room night reservation received.
- BWI will always identify to the Membership, in advance, the participating Chain & Consortia Partners, as well as changes to, additions to, and/or removal of participating Chain & Consortia Partners.
- The fee of USD \$1.00 for each net room night reservation received shall be paid in addition to any other rate discount payable, or standard commission available, to the participating Chain & Consortia Partner.
- Properties shall not discriminate in receiving reservations generated by any Chain & Consortia Partner.
- Fees incurred shall be stated on each Property's monthly member statement, and shall be paid in accordance with applicable BWI Regulatory Documents (e.g. bylaws, articles, rules and regulations, etc.).
- Void where prohibited by law. BWI reserves the right to suspend or terminate part of or the entire Program at any time, at its sole discretion, upon written notice to the Properties, which notice shall be issued and signed by the President of BWI.

Rate Program – Increase FX Rate Plan (Free Room Night) Availability

Approved June 29, 2011 - Best Western hotels shall provide 4% of total rooms (minimum of two (2) rooms) for Free Night Award redemption (FX Rate). If this 4% Free Night Award redemption inventory is not sold and the hotel has already sold 96% of its rooms, this 4% of run-of-house room inventory would be available to the hotel to sell. For example, a 100-room hotel sets aside 4 run-of-house rooms under this requirement for Free Night Award redemption. If these 4 run-of-house rooms are not booked for Free Night Award redemption and the hotel has already sold 96 rooms. these 4 run-of-house rooms would be available for the hotel to sell to a paying customer unless a BWR (GCCI) member requests a BWR Free Night Award redemption first. The number of available rooms will be rounded up if 4% is a fractional number. The effective date shall be July 1, 2011, or as soon afterward as is practicably achievable.

Rate Program – Low Rate, Guaranteed!

Approved December 21, 2011 – Effective February 1, 2012. or as soon afterward as is practicable, fines for violations of the "Low Rate, Guaranteed! Program," as established by the Membership-approved ballot of July 2009, shall be amended as follows: To instill consumer confidence in bestwestern.com, each month Best Western International, Inc. ("BWI") will determine if any Best Western branded hotels ("Hotels") offer publicly available rates through any distribution channel, which are lower than those offered by bestwestern.com for the next 90 days. Hotels with violations will receive a report indicating the dates for which violations exist. BWI will impose a fine of \$50 for each day a violation occurs only within the next month (each violation an "Occurrence"). No fines will be assessed for violations occurring more than one month in the future. Hotels that accumulate 100 Occurrences will be fined \$75 for each additional Occurrence thereafter. Hotels that accumulate 200 Occurrences will be fined \$100 for each additional Occurrence thereafter. The Board of Directors shall adopt a policy for waiving fines when appropriate due to extenuating circumstances.

Approved December 21, 2011 – Effective February 1, 2012, or as soon afterward as is practicable, the "Low Rate, Guaranteed! Program" consumer guarantee shall be amended as follows:

The Best Western Low Rate, Guaranteed! Program guarantees that consumers will always find the lowest rate published on the internet on bestwestern.com. If a consumer finds a lower rate, excluding taxes and fees, on another distribution channel with the same criteria per the terms, conditions, and claim processing requirements of the Program as set forth in the Proposal (as amended from time to time by the Board of Directors), the Property shall match the lower rate at the Property's cost, and the consumer will be given a \$100 Best Western Travel Card.

In each fiscal year, the offending Property will be charged for the Best Western Travel Cards issued in conjunction with the Low Rate Guarantee as follows:

- Will not be charged for the first three Best Western Travel Cards.
- 2. Will be charged \$75 for each of the next five Best Western Travel Cards.
- 3. Will be charged \$100 for all subsequent Best Western Travel Cards.

Properties that participate in Best Western's Property Revenue Management Program are exempt from financial responsibility for Best Western Travel Cards issued under this Program.

The Board of Directors may terminate the Program at any time without prior notice in its sole discretion.

Rate Program – Mandatory BNN Corporate Rate

Approved August 2007 – To approve the requirement that under the Best Western Best Available Rate (BAR) strategy with the objective to increase corporate business, the Best Business Net (BBN) rate be established as a non-commissionable mandatory participation rate, with last room availability and limited black-out dates (15 nights annually), equal to 90% of the Best Business Worldwide (BBW) rate under the BAR strategy.

Rate Program – Mandatory Dynamic Net Tour Rate

Approved August 2007 – To approve the requirement that under the Best Western Best Available Rate strategy (BAR) with the objective to increase leisure travel business, each Best Western Property shall participate in the Dynamic Net Tour rate program, and shall offer the Dynamic Net Tour rate as a leisure non-commssionable net tour operator rate equal to 90% of the Property's BBW rate under bar, without last room availability.

Rate Program – Net Rate Program Simplification

Approved July 2009 –To approve that the Best Western Net Rate Program be loaded into the reservation system in "open status" with a minimum discount of 20% off BAR (Best Available Rate). Hotels can, at any time, increase, decrease, or close out Net Rate Program room allocation.

Requests for Proposals

Approved November 2012 – Effective January 1, 2013, or as soon afterwards as is practicable and upon reasonable notice to the Membership:

Best Western Properties shall provide information and business rules to Best Western on an annual basis for purposes of Best Western responding to Requests for Proposals on behalf of Best Western Properties.

In the event a Best Western Property does not respond to a Request for Proposal by the due date noted on the solicitation, Best Western shall be authorized to respond to the Request for Proposal on behalf of the Best Western Property consistent with the information and business rules established by the Best Western Property on an annual basis.

In the event a Best Western Property does not provide information and business rules for responding to Requests for Proposals on an annual basis, Best Western shall respond to Requests for Proposals on behalf of the Property at a rate of twenty percent (20%) off of average Best Available Rate ("BAR") by season.

Required Rapid Response Visits for Low Scoring Properties

Approved June 29, 2011 – Effective December 1, 2011, each Best Western Property that scores less than 840 points on two Guest Room Public Area ("GRPA") assessments over a trailing 24-month period will be required to receive a Rapid Response visit. The Rapid Response visit will be conducted as soon as practicable following the second assessment that results in a GRPA score less than 840, and must be completed within 30 days after the GRPA assessment. The Property that receives the Rapid Response visit will pay a cost recovery fee for the visit, currently \$1,900, but which may be adjusted by the Board of Directors to account for actual costs. A Rapid Response visit under this program will restart the 24-month period.

Sales Champion Designation and Certification Training

Approved December 21, 2011 – All Best Western branded hotels shall designate an employee as its Sales Champion by February 29, 2012. The designated Sales Champion shall be an individual who is responsible for sales operations at the hotel and shall be the contact person for Worldwide Sales. Sales Champions must successfully

complete Sales Champion training within ninety (90) days of being designated and annually thereafter (prior to the one-year anniversary of the date of the certification). If at any time a Sales Champion terminates his or her employment with the hotel or is replaced for any reason, the hotel must designate a new Sales Champion within thirty (30) days of the event requiring a new designation. Sales Champion training and certification shall be at no cost to the Property.

Smith Travel Research

Approved February 9, 2011 – Effective April 1, 2011, all Best Western North American Properties shall participate in Smith Travel Research reporting, enabling them to optimize their revenue.

Approved February 9, 2011 – Effective April 1, 2011, or as soon afterword as is practically achievable, Best Western International, Inc. will program a computer system to electronically submit performance data to Smith Travel Research ("STR") on behalf of STR-participating properties. The computer program will automatically aggregate property performance results from the Two-Way interface for the reporting period, and submit those results to STR. This system will eliminate the need for manual reporting at the property level.

TripAdvisor Reviews on bestwestern.com

Approved June 29, 2011 – Best Western International, Inc. may post TripAdvisor ratings and the five most recent reviews (with the ability to link to additional reviews) for all Properties on bestwestern.com as long as business terms of an agreement with TripAdvisor are agreeable to the Best Western International, Inc. Board of Directors. The effective date shall be February 1, 2012, or as soon afterward as is practicably achievable.

Two-Way Interface

Approved August 2006 – To approve the PMS to CRS Two-Way Interface Proposal requiring property management systems with a two-way interface that has been endorsed by Best Western International, Inc. at each North American Best Western Property by December 31, 2009, and the Data Rules of Use, Compliance Rules, and other provisions of the Proposal Explanation.

NOTE: The Data Rules of Use set forth in the Proposal Explanation are as follows:

Data Rules of Use:

BWI shall use all specific Property and Members' guests' data obtained from the Property's PMS ("Data") in accordance with the Data Rules of Use detailed below. These Data Rules of Use shall not limit the use of any data (including Data) independently acquired by BWI or acquired from any other source.

- BWI and Members shall be responsible to comply with all applicable laws regarding the collection, use, transfer, storage, and security of Data, including but not limited to all applicable data privacy laws and requirements.
- BWI shall maintain and use all Data in accordance with its privacy policy, published at http://www.bestwestern.com, as amended from time to time by BWI, and applicable data privacy laws and requirements.
- Data acquired through any PMS will not be used by the BWI membership development department for the purposes of new member acquisition development.

- No Data will be used by BWI to perform Propertyspecific financial analysis for the purpose of a Member's fees or dues calculation, validation or verification.
- 5. Data will be stored in BWI's data center, located in Phoenix, Arizona, or a third party data facility as contracted for by BWI, and will be secured via information security processes, including but not limited to the use of firewalls, networks, servers, and database security mechanisms intended to best safeguard the Data. BWI shall be responsible to safeguard the Data regardless of where or by whom stored.
- Property specific or guest specific Data will not be sold or rented to third parties, or transferred to Smith Travel Research, without the approval of the specific Member from whose Property the respective Data has been obtained. These restrictions shall not apply to aggregated Data.

NOTE: The Fees set forth in the Proposal Explanation are as follows:

Fees:

Best Western will charge the Member Property an ongoing technical support fee to recover the cost of providing ongoing, support to Two-Way PMS vendors and Members. This ongoing support includes:

- necessary re-certification of vendors when software changes are made;
- trouble-shooting vendor software in support of Member-reported-issues;
- coordinating with Members and vendors for software updates, fixes, and problem resolution;
- and proactively monitoring Member Property performance using the Two-Way interface.

The technical support fee will not exceed \$65 per month. Best Western will charge the Member Property a one-time installation fee to recover the Best Western resource costs necessary to effect the implementation of Two-Way. This one-time installation fee is \$1,500.

In order to provide an incentive for early adoption and installation of Two-Way, this installation fee will be discounted for Member Properties in accordance with the following schedule:

- Any Property completing installation on or prior to December 31, 2007 will pay \$600
- Any Property completing installation after December 31, 2007 and prior to January 1, 2009 will pay \$800
- Any Property completing installation after December 31, 2008 and prior to December 31, 2009 will pay \$1000
- Any Property installing on any date thereafter will pay \$1500

NOTE: The Compliance Rules of Use set forth in the Proposal Explanation are as follows:

Compliance Rules:

- All Properties are required to install and maintain a
 Property Management System that is certified with the
 Best Western Two-Way Interface and endorsed by
 Best Western by December 31, 2009. Any Property
 not installing a PMS will be deemed not in compliance.
- Any non-complying Property will be restricted on the Best Western reservation system and required to

- comply within 90 days of restriction. Continued or reoccurring non-compliance of this requirement once the Property has been restricted for non-compliance will result in review by the Board for possible cancellation of the Best Western Membership.
- The December 31, 2009 compliance date in this Proposal applies to Members whose Best Western Membership was approved on or before May 31, 2005; unless the compliance date is changed due to their becoming a reaffiliated Member following a change of 50% or more in a Property's ownership where the Best Western Property does not qualify for an automatic transfer "reaffiliation," or due to a requirement of a conditional extension that has been granted as part of the hearing process or Board evaluation because of past due Membership conditions.

Best Western International, Inc. Descriptor Program

Approved April 2010 and Amended December 2011 - The Descriptor Program is a marketing strategy that includes the use of different names to communicate to guests the types of hotel products and amenities to expect at Best Western Properties (the "Descriptor Program"). Having been approved by the Membership, Best Western Properties will qualify for, be assigned and use one of three descriptors: "BEST WESTERN", "BEST WESTERN PLUS" or "BEST WESTERN PREMIER". Each descriptor has Member approved Design Guidelines and Brand Standards. The Descriptor Program will have no effect on membership fees, dues or Best Western's one class of voting membership.

As approved, the Descriptor Program operates as follows:

- Best Western Properties will use one of three descriptors: "BEST WESTERN", "BEST WESTERN PLUS" or "BEST WESTERN PREMIER".
- Best Western's current design requirements remain the fundamental requirements for all Properties. Design Guidelines for each descriptor are established as referenced in Exhibits A-1, A-2 and A-3 (the "Design Guidelines"). The Brand Standards for each descriptor are established as referenced in Exhibit B (the "Brand Standards").
- 3. BEST WESTERN Properties are required to meet the Descriptor Program's Design Guidelines by February 1, 2014, or earlier if required by a Property Improvement Plan ("PIP") deadline.
- 4. BEST WESTERN PLUS Properties are required to meet the Descriptor Program's Design Guidelines within three years of activation on the reservation system as BEST WESTERN PLUS (e.g., if activated on February 1, 2011, the deadline is February 1, 2014), or earlier if required by a PIP deadline.
- 5. BEST WESTERN PREMIER properties shall comply with the Design Guidelines at all times.
- AAA/CAA ratings no longer apply to the Descriptor Program (i.e., the assignment of descriptors).
- 7. Any Property may apply for the "BEST WESTERN PLUS" or "BEST WESTERN PREMIER" descriptor at any time by requesting a design review and by meeting the requirements of the respective Design Guidelines and Brand Standards.

- Every Best Western Property must maintain at least a AAA/CAA 2-Diamond rating. If a Property falls below a AAA/CAA 2-Diamond rating, or fails a AAA/CAA inspection, that Property must request a design review and complete any resulting PIP within six (6) months.
- 9. Properties that request a design review will be required to pay a cost-recovery fee for the design review, which is currently estimated to be \$1,900 and may increase in the future as costs rise. Such Properties will be inspected using the Design Guidelines for the requested descriptor. If the Property complies with the applicable Design Guidelines, the Property will be assigned the appropriate descriptor. Otherwise, the Property will receive a PIP. If the Property completes the PIP within one (1) year, as determined by a subsequent design review, the Property will be assigned the applicable descriptor.
- 10. Any Property may appeal a Descriptor Program PIP to the Best Western Board of Directors (the "Board"). A waiver may be granted only by an affirmative vote of five (5) Board Directors. An extension may be granted only by an affirmative vote of five (5) Board Directors, and for a period of no more than six (6) months; however, extensions up to two (2) years may be granted if the Property has and maintains a Medallia/GSS Overall Satisfaction score in the top 25% of all Best Western branded hotels, based on a twelve (12) month rolling average (electronic surveys only).

- 11. A Property must comply with the applicable Brand Standards prior to representing itself to the public as a "BEST WESTERN PLUS" or "BEST WESTERN PREMIER" Property.
- Any Property receiving the "BEST WESTERN PLUS" or "BEST WESTERN PREMIER" descriptor will use signs and collateral material within specified timeframes as referenced in Exhibit C.
- 13. A "BEST WESTERN PREMIER" descriptor will last for five (5) years. At least six (6) months prior to the end of the 5-year term, each "BEST WESTERN PREMIER" Property must request a design review and complete a PIP (if the design review results in a PIP) within six (6) months, to renew the descriptor for another 5-year term.
- 14. The Design Guidelines and Brand Standards are "Regulatory Documents" as that term is defined in Best Western's Bylaws. Future changes to Design Guidelines and Brand Standards shall be presented to Members for approval through ballots in accordance with section 500.21 of Best Western's Rules and Regulations.

